Black Hawk County, Iowa

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

Black Hawk County, Iowa

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Prepared by
Susan Deaton, Finance Director and Staff
Grant Veeder, Auditor and Staff
Rita Schmidt, Treasurer and Staff

BLACK HAWK COUNTY, IOWA

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Black Hawk County Board of Supervisors

Linda L. Laylin	Tom Little	Frank Magsamen	Chris Schwartz	Craig White
833-3076	833-3075	833-3077	833-3074	833-3078

Susan Deaton
Finance Director

Dana Laidig
Administrative Aide

December 18, 2017

Board of Supervisors and Citizens
Black Hawk County, Iowa

The Comprehensive Annual Financial Report (CAFR) for Black Hawk County, Iowa for the fiscal year ended June 30, 2017 is hereby submitted.

Each year the County publishes a complete set of audited financial statements as part of an annual single audit to conform to the provisions of the Uniform Guidance. The County assumes full responsibility for the completeness and reliability of the information contained in this report. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Black Hawk County financial statements for the year ended June 30, 2017. This independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Black Hawk County

The first government of Black Hawk County, Iowa was organized August 17, 1853. It is located in the northeast part of the state. The County currently occupies 576 square miles and is the fifth most populous county in the state. The 2010 census population of 131,090 is up 2.4% from the 2000 census figure of 128,012. Population estimates show slight increases for Black Hawk County going forward. Black Hawk County is empowered to levy a property tax on both real and personal property located within its boundaries.

Black Hawk County currently operates under a five-member Board of Supervisors. Each member is elected at large to a four-year term. The Board of Supervisors is the legislative authority over Black Hawk County. Annually, the Board adopts a budget and establishes tax rates to support County programs. Also elected to four-year terms at large are the following officials: Attorney, Auditor, Recorder, Sheriff, and Treasurer. These officials, along with department heads appointed by the Board, are responsible to administer the programs and policies adopted by the Board of Supervisors as well as the budget amount allocated to their department by the Board.

Black Hawk County provides a full range of services. These services include public safety and legal services, physical health and social services, mental health and developmental disabilities services, county environment and education, construction and maintenance of secondary roads, general administrative services, and planning and zoning.

Black Hawk County is required by the State of Iowa to adopt an annual budget for the total operating expenditures of the County by function area. This is the foundation of financial planning and control for the County. The budget is prepared by fund (e.g., general, special revenue, debt), function (e.g., public safety), and department (e.g., Sheriff, Conservation). Departments can transfer resources within a department as they see fit, however, they cannot exceed the total amount budgeted to their department. Transfers between departments and funds, in addition to increasing or reducing a department's budget, requires special approval by the Board of Supervisors in the form of an amendment to the budget.

Local Economy

Black Hawk County is the fifth largest county in population in the State of Iowa. The cities of Cedar Falls and Waterloo make up just over 82% of the population with the remainder living in smaller towns and rural areas. The U.S. Census Bureau's 2010 population of Black Hawk County was 131,090. The estimated County population for fiscal year 2017 is 132,904.

The unemployment rate for Black Hawk County declined in the first half of fiscal year 2017 reaching 4.0% in November 2016. The rate increased to 5.4% in January 2017 and then began to steadily decline for the next several months. In October 2017, the unemployment rate dropped to 2.8%, one of the lowest rates in a number of years. It is slightly higher than the statewide average of 2.4% but lower than the national average of 4.1%.

Significant construction and development has occurred in the county in the last several years. This should help with overall employment within the County and provide additional capital investment as well.

Tyson Fresh Meats, Inc., the second largest employer in the County, recently announced plans to create 245 new jobs with a $28 million expansion of its Waterloo pork processing plant. The project includes a new 56,400 square-foot warehouse and renovation of another 18,250 square feet of existing space.

Expansion projects for several businesses have been announced or are underway, including Crystal Distribution Services 50,000 square-foot expansion, estimated at $5.5 million and Standard Distribution's 53,000 square-foot addition, estimated at $1.8 million. Buckeye Corrugated Inc. is planning to build a new 171,000 square-foot, $7 million building in the Cedar Falls Industrial Park, nearly tripling their current building in size.

Hawkeye Community College is investing over $10.9 million in downtown Waterloo with the construction of a new adult learning center. The Waterloo Convention Center is also being renovated. The new hotel and convention center will bring approximately 100 new jobs to the community.

In the fall of 2017, Deere and Company, the largest employer in the County, announced they had their fifth best year for sales and earnings in company history. Deere's earnings performance beat analysts' estimates for the year. Company officials believe that the large equipment market is stabilizing and overseas markets, are strong. Overall company equipment sales are projected to increase 22% for fiscal 2018.

Long-Term Financial Planning

The unassigned general fund balance for Black Hawk County is at 39.9% of the total general fund expenditures. The fiscal year 2017 percentage figure is above the 15-25% preferred range for Black Hawk County. The total combined general fund balance (restricted, committed, and unassigned) is at 47.6% of total general fund expenditures. Black Hawk County will continue to diligently manage the unassigned fund balance to maintain the preferred range of fund balance to expenditures.

The County's secondary road system is also being continually reviewed. A 5-year plan is updated annually to address the challenges of maintaining road and bridge infrastructure. In 2015, the state legislature approved a 10-cent gas tax increase which has brought in additional funds to the County in the last two fiscal years. This annual increase will assist in road and bridge replacement and repair projects going forward.

Black Hawk County continues to follow the twenty-year plan that was created in the fall of 2008 and was updated in November of 2013 with the assistance of the Institute for Decision Making at the University of Northern Iowa. The plan will be updated again in 2018. As the next three to five year plans for each department are reviewed, they will continue to be implemented into the budget for each fiscal year going forward.

Major Initiatives

Between 2002 and 2012, Black Hawk County replaced three of the four large highway bridges that span the Cedar River. The fourth and final highway bridge is scheduled to be replaced in fiscal year 2019 with an estimated cost of $6 to $7 million.

The County is continuing the upgrade and replacement of the current public safety radio system. The project is just under $9 million and is scheduled to be completed in fiscal year 2018. The radio project is being done by the County on behalf of all the cities, police and fire departments across the County, along with multiple County departments.

Black Hawk County has consistently implemented projects and updated equipment to become as energy efficient as possible. Projects including an additional chiller system replacement and lighting projects will be implemented in fiscal year 2018 and beyond as the County continues looks for ways to cut costs in future budgets.

The Black Hawk County Conservation Board began a $3.1 million renovation of the Hartman Reserve Interpretive Center that is scheduled to be completed in fiscal year 2018. The Conservation Board is also looking at options to replace or realign the Wolf Creek Bridge on the Cedar Valley Nature Trail.

In 2017, the County began to upgrade the Jail Security System for an estimated $2 million. The current system has been in place since the Jail was constructed in 1995. The project is scheduled to be completed in fiscal year 2018.

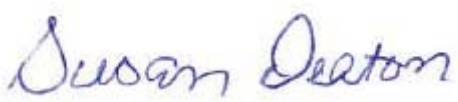
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Black Hawk County, Iowa for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the twelfth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to thank all of the County employees and other individuals that assisted in the preparation of the Comprehensive Annual Financial Report. Most notably, I would like to thank the entire staffs of both the Auditor's Office and Treasurer's Office. The completion of this report could not have been accomplished without their efficient and dedicated service. The excellent service provided by the County's independent auditors, CliftonLarsonAllen LLP, is also greatly appreciated. Finally, I would like to thank the Board of Supervisors for their leadership and support without which preparation of this report would not have been possible.

Respectfully submitted,



Susan Deaton, CPA
Finance Director

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Black Hawk County

Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

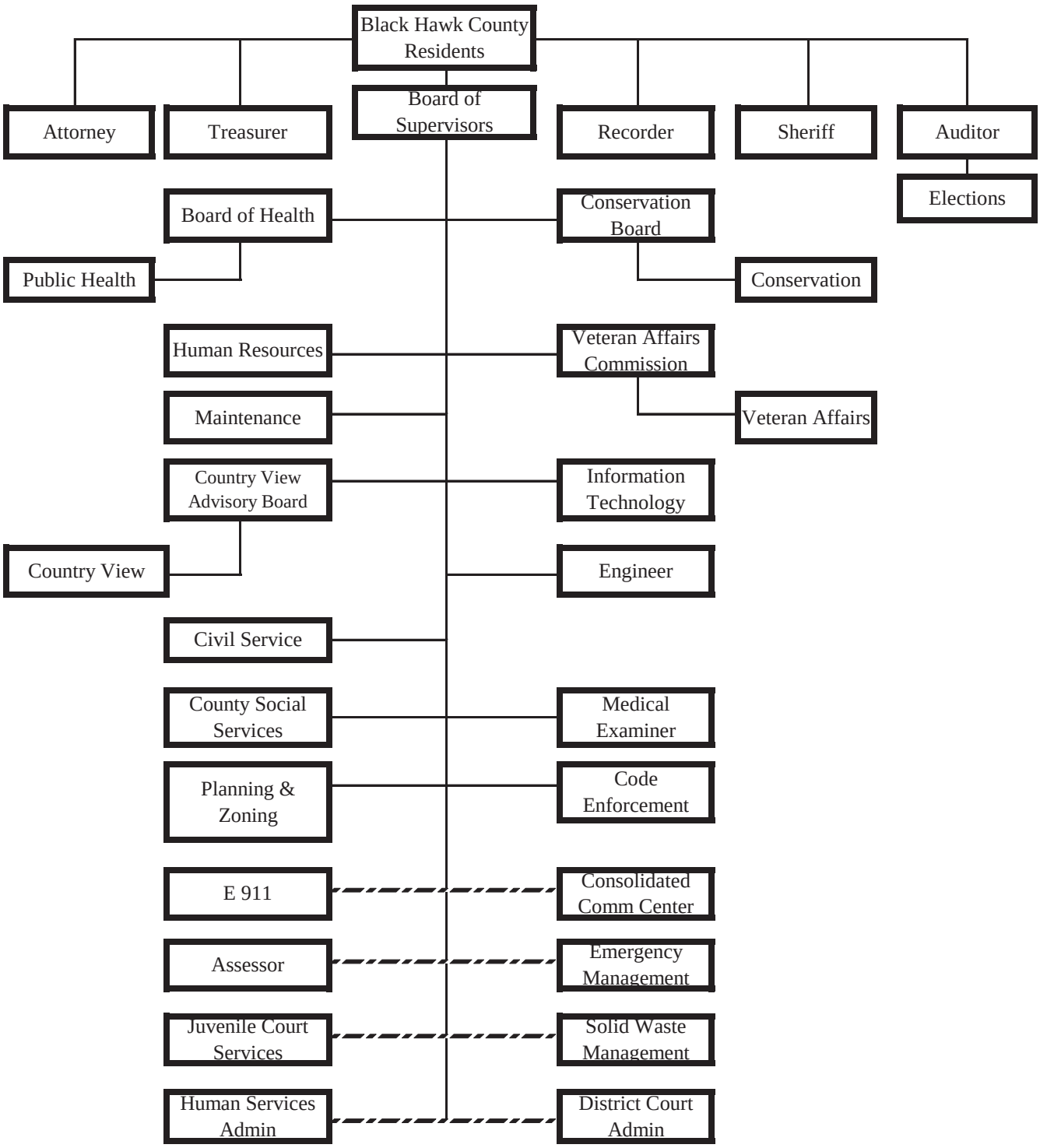
June 30, 2016

Executive Director/CEO

BLACK HAWK COUNTY OFFICIALS

Official Title	Official	Term Expiration Date of Elected Officials
Elected Officials		
Board of Supervisors, Chairperson	Frank Magsamen	2019
Board of Supervisors, Chair Pro Tempore	Craig White	2019
Board of Supervisors	Tom Little	2021
Board of Supervisors	Linda L. Laylin	2021
Board of Supervisors	Chris Schwarz	2021
County Attorney	Brian Williams	2021
County Auditor	Grant Veeder	2021
County Recorder	Sandie L. Smith	2019
County Sheriff	Tony Thompson	2021
County Treasurer	Rita M. Schmidt	2019
Associate Officials		
County Assessor	T. J. Koenigsfeld	
Department Heads and Administration		
County Social Services Administrator	Robert Lincoln	
Conservation Executive Director	Mike Hendrickson	
Country View Administrator	Dennis Coleman	
County Buildings Superintendent	Rory Geving	
County Engineer	Catherine Nicholas	
County Planning & Zoning	Adrienne Miller	
Human Resources Director	Debra Bunger	
Information Technology Director	Kim Veeder	
Public Health Director	Dr. Nafissatou Egbuonye	
Veteran Affairs Director	Kevin Dill	
County Finance Director	Susan Deaton	

ORGANIZATIONAL CHART



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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Black Hawk County
Waterloo, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County (the County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

A member of Nexia International

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

For the year ended June 30, 2017, the County restated beginning governmental activities and business-type activities net position due to the correction of an error (see Note 19). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison information, schedule of the County's proportionate share of the net pension liability, schedule of County contributions, and schedule of funding progress for the retiree health plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Black Hawk County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of Black Hawk County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Black Hawk County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Black Hawk County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
December 18, 2017

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As management of Black Hawk County, Iowa, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Black Hawk County, Iowa (the County) for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which is located in the Introductory Section at the front of this report.

Financial Highlights

- The assets and deferred outflows of the County exceeded liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2017 by $95,395,279 (net position). Of this amount, a deficit of ($5,991,670) was unrestricted. For the fiscal year ended June 30, 2016, assets and deferred outflows exceeded liabilities and deferred inflows of resources by $91,348,571. Of this amount, ($1,303,431) was unrestricted.
- The County's total net position increased by $4,046,708 during the fiscal year ended June 30, 2017. Governmental activities increased $5,216,770 and business-type activities decreased by $1,170,062. For fiscal year ended June 30, 2016, total net position increased $4,772,866. Governmental activities increased $5,495,810 and business-type activities decreased by $722,944.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $38,804,908, a decrease of $1,636,644 in comparison with the prior year. Approximately 39.2% of this is unassigned fund balance which is available for spending at the County's discretion. As of the close of fiscal year June 30, 2016, governmental funds reported combined ending fund balances of $40,441,552.
- At the end of the current fiscal year, the County's unassigned fund balance for the General Fund was $15,201,749 or 39.9% of the total General Fund expenditures. These funds will be needed to meet expenditures until the next semi-annual property tax revenue is received. The unassigned fund balance for the General Fund as of June 30, 2016 was $12,319,469 or 32.3% of total General Fund expenditures.
- The County's bonded debt decreased by $6,215,000 (16.4%) during the current fiscal year. Total bonded debt for the fiscal year June 30, 2016, increased by $2,955,000 (8.4%).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Black Hawk County, Iowa's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business.

The statement of net position presents information on all of Black Hawk County, Iowa's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include public safety and legal services, physical health and social services, mental health, County environment and education, road and transportation, governmental services to residents, administration and interest on long-term debt. The business-type activities of the County include the Washburn rural sewer and Washburn rural water operations and the Country View Care Facility.

The government-wide financial statements include Black Hawk County, Iowa (known as the primary government) and two blended component units: Drainage Districts and the Friends of Hartman Reserve, Inc.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Black Hawk County, Iowa, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements and is typically the basis used in developing the next annual budget.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Black Hawk County, Iowa maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Mental Health Fund, Rural Services Fund, Secondary Roads Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. The County has elected to treat the Rural Services Fund and Secondary Roads Fund as major for public interest purposes. Data from the other six governmental funds are combined into a single, aggregated presentation under the column heading "Other Governmental Funds." Individual fund data for each of these other governmental funds is provided in the form of combining statements elsewhere in this report.

The County presents budgetary information as allowed by GASB Statement No. 41. The County adopts an annual appropriated budget for all governmental funds. Formal and legal budgetary control as required by state statute is based upon nine major classes of expenditures known as service areas, not by fund or fund type.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Washburn rural sewer system, the Washburn rural water system and the Country View Care Facility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Black Hawk County, Iowa utilizes three internal service funds to account for its health insurance, self-insurance and office equipment programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements. Approximately 25% of the health insurance fund services are related to the Country View Care Facility and have been allocated to the business-type activities via internal balances.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for all the enterprise funds as a single aggregated presentation as they are all considered nonmajor. Additionally, all internal service funds are combined into a single, aggregated presentation in the proprietary fund's financial statements. Individual fund data for the enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Black Hawk County, Iowa's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information concerning Black Hawk County, Iowa's budgeted amounts for fiscal year 2017. Other requirement supplementary information includes the schedule of funding progress for the retiree health plan, schedule of the County's proportionate share of the net pension liability and the schedule of the County's contributions.

The combining statements referred to earlier in connection with nonmajor special revenue funds, capital project funds, enterprise funds and internal service funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of Black Hawk County, Iowa, assets and deferred outflows exceeded liabilities and deferred inflows by $95,395,279 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (88%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements other than buildings and infrastructure); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated to cover the liabilities.

Net Position of Governmental and Business-Type Activities

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current and Other Assets	$82,317,694	$82,540,776	$3,659,594	$3,654,695	$85,977,288	$86,195,471
Capital Assets	99,625,577	100,664,653	3,933,962	3,600,861	103,559,539	104,265,514
Total Assets	181,943,271	183,205,429	7,593,556	7,255,556	189,536,827	190,460,985
Pension Related Deferred Outflows	5,113,171	5,462,828	1,520,805	1,764,091	6,633,976	7,226,919
Total Deferred Outflows	5,113,171	5,462,828	1,520,805	1,764,091	6,633,976	7,226,919
Long-term Liabilities	54,164,928	52,276,761	5,280,234	6,644,099	59,445,162	58,920,860
Other Liabilities	4,369,057	5,600,556	744,927	985,246	5,113,984	6,585,803
Total Liabilities	58,533,985	57,877,317	6,025,161	7,629,345	64,559,146	65,506,663
Pension Related Deferred Inflows	4,893,728	875,723	1,353,837	282,794	6,247,565	1,158,517
Future Property Tax	34,015,521	35,627,446	-	-	34,015,521	35,627,446
Total Deferred Inflows	38,909,249	36,503,169	1,353,837	282,794	40,263,086	36,785,963
Net Position:						
Net Investment in Capital Assets	69,854,029	80,589,750	3,655,169	3,411,666	73,509,198	84,001,416
Restricted	19,142,804	17,385,533	-	-	19,142,804	17,385,533
Unrestricted	616,375	(3,687,512)	(1,919,806)	(2,304,158)	(1,303,431)	(5,991,670)
Total Net Position	$89,613,208	$94,287,771	$1,735,363	$ 1,107,508	$91,348,571	$95,395,279

An additional portion of the County's net position (18% or $17,385,533) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors. This amount is currently negative due to recognition of the net pension liability.

Net position restricted through enabling legislation consists of $5,501,692 for debt service, $1,491,247 for mental health, $3,906,559 for secondary roads, $1,646,789 for rural levy purposes, $2,912,672 for supplemental levy purposes, $1,457,294 for conservation and $469,280 for various other restricted purposes, as of June 30, 2017.

Governmental activities. The beginning net position for governmental activities was restated by ($542,207) to allocate 25% of the beginning health insurance internal service fund activity to business-type activities. The increase in net position for governmental activities for fiscal year 2017 was $5,216,770 as shown on the chart that follows. The increase in net position of the governmental activities is primarily the result of a $1 million increase in capital assets and a $4 million decrease in pension related deferred inflows.

The County experienced a minor decrease in total revenues from governmental activities. Property tax revenue decreased by approximately $231,000. Program revenues, including intergovernmental aid and charges for services decreased by approximately $65,000. Revenue increases include $81,000 in local option sales tax, $122,000 in investment earnings and $61,000 in miscellaneous revenue.

The cost of all governmental activities this year was $59,834,758 compared to $59,594,646 last year. The amount financed by taxpayers was $36,990,310 (See Statement of Activities). Some of the cost was paid for by those who benefited from programs or by other governments and organizations which subsidized certain programs with grants and contributions.

Business-type activities. The beginning net position for business-type activities was restated by $542,207 to allocate 25% of the beginning health insurance internal service fund activity related to business-type activities. The decrease in net position for business-type activities for fiscal year 2017 was $1,170,062 due mainly to operating losses at Country View Care Facility.

Changes in Net Position of Governmental and Business-Type Activities

	Government Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Revenues:						
Program Revenues:						
Charges for Services	$ 6,543,091	$ 5,980,862	$13,283,924	$13,027,493	$19,827,015	$19,008,355
Operating Grants / Contributions	11,930,540	12,397,556	-	-	11,930,540	12,397,556
Capital Grants / Contributions	4,435,594	4,466,030	-	-	4,435,594	4,466,030
General Revenues:						
Taxes:						
Property	34,655,427	34,424,918	-	-	34,655,427	34,424,918
State Tax Credits	2,977,010	2,969,905	-	-	2,977,010	2,969,905
Local Option Sales Tax	2,845,393	2,925,996	-	-	2,845,393	2,925,996
Gambling Taxes	447,918	433,987	-	-	447,918	433,987
Investment Earnings	444,988	567,076	2,776	6,486	447,764	573,562
Miscellaneous	810,495	885,198	22,983	19,726	833,478	904,924
Total Revenues	65,090,456	65,051,528	13,309,683	13,053,705	78,400,139	78,105,233
Expenses:						
Public Safety and Legal Services	19,671,543	20,286,504	-	-	19,671,543	20,286,504
Physical Health and Social Services	7,561,741	7,394,317	-	-	7,561,741	7,394,317
Mental Health	5,458,589	6,301,030	-	-	5,458,589	6,301,030
County Environment and Education	5,239,969	3,439,733	-	-	5,239,969	3,439,733
Roads and Transportation	8,602,592	9,969,108	-	-	8,602,592	9,969,108
Government Services to Residents	2,498,638	2,090,806	-	-	2,498,638	2,090,806
Administration	9,214,497	9,095,322	-	-	9,214,497	9,210,807
Interest on Long-Term Debt	1,347,077	1,257,938	-	-	1,347,077	1,257,938
Country View Care Facility	-	-	13,721,249	13,930,036	13,721,249	13,814,551
Washburn Water and Sewer	-	-	311,378	293,731	311,378	293,731
Total Expenses	59,594,646	59,834,758	14,032,627	14,223,767	73,627,273	74,058,525
Increase (Decrease) in Net Position	5,495,810	5,216,770	(722,944)	(1,170,062)	4,772,866	4,046,708
Net Position, Beginning	84,117,398	89,613,208	2,458,307	1,735,363	86,575,705	91,348,571
Restatement	-	(542,207)	-	542,207	-	-
Net Position, Beginning, as restated	84,117,398	89,071,001	2,458,307	2,277,570	86,575,705	91,348,571
Net Position, Ending	$89,613,208	$94,287,771	$ 1,735,363	$ 1,107,508	$91,348,571	$95,395,279

Financial Analysis of the Government's Fund Financial Statements

As noted earlier, Black Hawk County, Iowa uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The financial reporting focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balances serve as a useful measure of a government's net resources available at the end of the fiscal year.

The County's governmental funds reported combined fund balances of $38,804,908 as of June 30, 2017. This was a decrease of $1,636,644 from the prior year. The majority of the decrease is from decreases in the Debt Service and Capital Projects Fund detailed later in the report. Of this total combined fund balance amount, $15,201,749 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been allocated 1) for purposes of the supplemental tax levy, 2) to fund various debt service payments and 3) for assets that will not be liquidated in the near term.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned balance of the General Fund was $15,201,749, while total fund balance reached $18,110,058. As a measure of the General Fund's liquidity, it is generally useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39.9% of total General Fund expenditures, while total fund balance represents 47.6% of that same amount. These funds will be needed as working capital during the initial months of the new fiscal year as property tax revenue is only collected semiannually, in September and March.

Overall General Fund revenues and expenditures remained consistent when compared to the prior year. The increase in property tax revenue of $1,108,891 and miscellaneous revenue of $732,762 was offset by a decrease in intergovernmental revenue of $1,554,685 due to the completion of the jumpstart program that passed through the county. Other revenues had no significant changes. Public safety and legal services expenditures increased by $806,603. County environment and education expenditures decreased by $493,633 due to the completion of the jumpstart program. Government services to residents expenditures decreased by $536,920 due to the purchase of new voting equipment in the prior year. Administration expenditures increased by $159,464. No other expenditure functions had significant changes. The ending fund balance increased by $1,128,215.

The Mental Health Fund had a fund balance of $1,476,049, all of which is to be used for mental health functional expenditures. The fund balance decreased by $633,476 during fiscal year 2017. The County Social Services region is planning to spend down reserves over the next few years.

The Rural Services Fund had a fund balance of $1,644,002, which decreased $273,126 from the prior year. The decrease in fund balance is due to state tax credits being less than anticipated.

The Secondary Roads Fund had a fund balance of $4,369,667, which increased $1,167,022 from the prior year. The primary reason for the increase in fund balance is the fluctuation that occurs due to the timing of planned maintenance and capital projects.

The Debt Service Fund had a fund balance of $5,268,936 all of which is restricted for the payment of debt service (i.e. payment of general obligation principal and interest). The fund balance decreased by $1,010,826 during fiscal year 2017 due to bond refunding.

The Capital Projects Fund had a total fund balance of $5,975,878. During the year ended June 30, 2017, the County issued $1,720,000 of general obligation bonds for various capital improvement projects. The proceeds from this bond issue were placed in the Capital Projects Fund. The fund balance decreased $1,923,886 as remaining bond proceeds from past projects continue to be expended.

Proprietary Funds. The Black Hawk County, Iowa's proprietary funds provide the same type of information found in the government-wide financial statements, except in more detail. The Country View Care Facility is the only major enterprise fund.

Budgetary Highlights

Over the course of the year, Black Hawk County, Iowa amended its budget two times. The budgetary comparison schedule provides more information.

Key changes in the budget amendments are as follows:

Expenditures increased $5,660,400, which included:

- $4,130,400 for bond refunding.
- $500,000 in additional expenditures for the Conservation Department's Hartman Reserve renovation project offset by additional revenues.
- $225,000 for Conservation flood repairs with 85% offset by additional revenues.
- $40,000 in Information Technology expenditures, $150,000 for additional Medical Examiner fees and $100,000 for additional juvenile detention costs partially offset by additional revenue.
- $104,000 for Maintenance capital projects budgeted in FY16 and carried over to FY17.
- Additional expenditures from various special revenue funds including, $74,000 in capital projects from the REAP Fund, $30,000 in capital projects from the Conservation Trust Fund, and $7,000 from the Recorder's Record Management Fund.
- $100,000 in Jail Commissary expenditures and $200,000 for the Friends of Hartman offset by additional revenue.

Revenues and other financing sources increased $6,851,250 which included:

- Additional revenue of $40,000 for the Information Technology Department, $70,000 for Juvenile Court Services, and $691,250 for the Conservation Department to offset additional expenditures.
- $5,750,000 in General Obligation bond proceeds for refunding and capital improvement projects.
- Additional revenue of $100,000 for the Jail Commissary and $200,000 for the Friends of Hartman to offset additional expenditures.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to $104,265,514 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, vehicles and equipment, construction-in-progress and infrastructure. The total increase in Black Hawk County, Iowa's capital assets for the current fiscal year was 0.7%.

Capital Assets, Net of Applicable Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Land	$ 6,094,818	$ 6,157,911	$ -	$ -	$ 6,094,818	$ 6,157,911
Construction-in-Progress	5,611,435	3,800,134	-	-	5,611,435	3,800,134
Buildings	28,947,375	30,954,604	4,879,761	4,896,955	33,827,136	35,851,559
Improvements other than Buildings	1,390,156	1,390,156	111,488	111,488	1,501,644	1,501,644
Equipment and Vehicles	14,446,908	14,966,891	626,150	644,917	15,073,058	15,611,808
Infrastructure	103,378,162	108,771,635	5,420,639	5,420,639	108,798,801	114,192,274
Accumulated Depreciation	(60,243,277)	(65,376,678)	(7,104,076)	(7,473,138)	(67,347,353)	(72,849,816)
Total Capital Assets	$99,625,577	$ 100,664,653	$ 3,933,962	$ 3,600,861	$ 103,559,539	$ 104,265,514

Major capital asset events during the current fiscal year included the following:

- Multiple secondary road projects including the reconstruction and resurfacing of approximately 8.5 miles of road and the replacement or repair of 7 bridges and culverts was completed during fiscal year 2017.
- Construction in Progress projects from FY16 that were placed into service in FY17 include new chillers for the Pinecrest building and the Jail, new generators for the Jail and the Courthouse and two restroom renovations for the Courthouse.
- Construction in Progress at year-end includes the Hartman Reserve Center renovation project, the Jail security system project, and a new generator for the Pinecrest building.

Additional information concerning the County's capital assets can be found in Note 5 of the Notes to Basic Financial Statements.

Long-Term Debt. At the close of the fiscal year ended June 30, 2017, the County had total long-term debt outstanding of $32,480,448. Of this amount, $31,725,000 comprises debt backed by the full faith and credit of the government and the remaining $755,448 represents the net amount of bond premium and bond discount.

Table of Outstanding Debt

General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
General Obligation Bonds	$ 37,340,000	$ 31,535,000	$280,000	$190,000	$37,620,000	$31,725,000
General Obligation Capital Notes	320,000	-	-	-	320,000	-
Bond Discount	(75,112)	(22,923)	(1,207)	(805)	(76,319)	(23,728)
Bond Premium	1,056,660	779,176	-	-	1,056,660	779,176
Total	$38,641,548	$32,291,253	$278,793	$189,195	$38,920,341	$32,480,448

Additional information concerning the County's long-term debt can be found in Note 8 of the Notes to Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

Black Hawk County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2018 budget and the tax rates charged for various County activities. County officials are sensitive to the trends of key economic factors such as the unemployment rate. Unemployment in the County now stands at 2.8% versus 4.1% a year ago. This compares with the state's unemployment rate of 2.4% and the national rate of 4.1%.

For fiscal year 2018, amounts available for appropriation are $69.15 million. Budgeted expenditures are expected to decrease approximately $1.5 million from fiscal year 2017 actual figures. Budgeted revenues are expected to decrease approximately $954,000. The increase in property taxes of $1.9 million will be offset by decreases in intergovernmental and miscellaneous revenues mainly due to the decrease in reimbursement for the Hartman Reserve renovation project. Charges for Services are also expected to decrease by approximately $440,000. Significant expenditure decreases include the Debt Service category at a reduction of $4.7 million due to a reduction in principal and interest payments on general obligation bonds and County Environment and Education at a reduction of $1.5 million due to the completion of the Hartman Reserve renovation project. These figures are offset by significant increases of $2 million for Public Safety and Legal Services and $1.6 million for Roads and Transportation. The new jail security system, secondary road equipment, increases in roadway construction and maintenance and increased health care costs represent the largest increases. If these estimates are realized, the County's budgetary operating balance is expected to decrease by the end of fiscal year 2017.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Black Hawk County, Iowa's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Black Hawk County Finance Director, Susan Deaton, by mail at 316 E. 5th Street, Waterloo, Iowa 50703, by telephone at 319-833-3003, fax 319-833-3070 or by e-mail at sdeaton@co.black-hawk.ia.us.

BASIC FINANCIAL STATEMENTS

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COUNTY OF BLACK HAWK, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and Investments	$ 33,807,163	$ 1,128,423	$ 34,935,586
Restricted Cash and Investments	6,200,133	-	6,200,133
Receivables:			
Property Tax			
Delinquent	131,455	-	131,455
Succeeding Year	35,627,446	-	35,627,446
Accrued Interest	38,209	-	38,209
Accounts	640,429	252,262	892,691
Interest and Penalty on Property Tax, Net	121,830	-	121,830
Capital Lease Receivable	217,170	-	217,170
Notes Receivable	1,205,000	-	1,205,000
Due from Other Governmental Agencies	3,280,770	1,788,440	5,069,210
Internal Balances	(426,722)	426,722	-
Prepaid Items	19,785	5,135	24,920
Inventories	463,108	53,713	516,821
Total Current Assets	81,325,776	3,654,695	84,980,471
NONCURRENT ASSETS			
Notes Receivable	1,215,000	-	1,215,000
Capital Assets			
Land	6,157,911	-	6,157,911
Construction in Progress	3,800,134	-	3,800,134
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	90,706,608	3,600,861	94,307,469
Total Noncurrent Assets	101,879,653	3,600,861	105,480,514
Total Assets	183,205,429	7,255,556	190,460,985
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	5,462,828	1,764,091	7,226,919
LIABILITIES			
Accounts Payable	2,206,599	660,373	2,866,972
Claims Payable	1,324,497	-	1,324,497
Due to Other Governmental Agencies	586,057	942	586,999
Unearned Revenue	54,049	-	54,049
Accrued Interest Payable	79,106	629	79,735
Salaries and Benefits Payable	1,350,248	323,302	1,673,550
LONG-TERM LIABILITIES			
Portion Due or Payable Within One Year:			
General Obligation Bonds	7,455,000	95,000	7,550,000
Compensated Absences	1,211,621	175,436	1,387,057
Portion Due or Payable After One Year:			
General Obligation Bonds	24,836,253	94,195	24,930,448
Compensated Absences	638,299	297,448	935,747
Net Pension Liability	16,752,715	5,409,893	22,162,608
Net OPEB Liability	1,382,873	572,127	1,955,000
Total Liabilities	57,877,317	7,629,345	65,506,662
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Years	35,627,446	-	35,627,446
Pension Related Deferred Inflows	875,723	282,794	1,158,517
Total Deferred Inflows of Resources	36,503,169	282,794	36,785,963
NET POSITION			
Net Investment in Capital Assets	80,589,750	3,411,666	84,001,416
Restricted for:			
Debt Service	5,501,692	-	5,501,692
Mental Health Purposes	1,491,247	-	1,491,247
Supplemental Levy Purposes	2,912,672	-	2,912,672
Secondary Roads Purposes	3,906,559	-	3,906,559
Rural Services	1,646,789	-	1,646,789
Conservation	1,457,294	-	1,457,294
Other Purposes	469,280	-	469,280
Unrestricted	(3,687,512)	(2,304,158)	(5,991,670)
Total Net Position	$ 94,287,771	$ 1,107,508	$ 95,395,279

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues Charges for Services
PRIMARY GOVERNMENT		
Governmental Activities:		
Public Safety and Legal Services	$ 20,286,504	$ 1,943,473
Physical Health and Social Services	7,394,317	743,223
Mental Health	6,301,030	86,127
County Environment and Education	3,439,733	627,109
Roads and Transportation	9,969,108	69,089
Government Services to Residents	2,090,806	2,065,642
Administration	9,095,322	446,199
Interest on Long-Term Debt	1,257,938	-
Total Governmental Activities	59,834,758	5,980,862
BUSINESS-TYPE ACTIVITIES		
Rural Sewer	221,064	193,999
Rural Water	72,667	14,039
Country View Care Facility	13,930,036	12,819,455
Total Business-Type Activities	14,223,767	13,027,493
Total	$ 74,058,525	$ 19,008,355

See Accompanying Notes to Financial Statements

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities	Business-Type Activities	Total
$ 2,554,584	$ -	$ (15,788,447)	$ -	$ (15,788,447)
3,205,742	20,200	(3,425,152)	-	(3,425,152)
804,267	-	(5,410,636)	-	(5,410,636)
630,188	1,823,939	(358,497)	-	(358,497)
4,745,411	2,370,391	(2,784,217)	-	(2,784,217)
16,431	-	(8,733)	-	(8,733)
440,933	251,500	(7,956,690)	-	(7,956,690)
-	-	(1,257,938)	-	(1,257,938)
12,397,556	4,466,030	(36,990,310)	-	(36,990,310)
-	-	-	(27,065)	(27,065)
-	-	-	(58,628)	(58,628)
-	-	-	(1,110,581)	(1,110,581)
-	-	-	(1,196,274)	(1,196,274)
$ 12,397,556	$ 4,466,030	$ (36,990,310)	$ (1,196,274)	$ (38,186,584)
GENERAL REVENUES				
Property and Other County Tax Levied for:				
General Purposes		$ 28,934,657	$ -	$ 28,934,657
Debt Service		5,126,940	-	5,126,940
Interest and Penalties on Taxes		363,321	-	363,321
State Tax Credits		2,969,905	-	2,969,905
Local Option Sales Tax		2,925,996	-	2,925,996
Gambling Taxes		433,987	-	433,987
Unrestricted Investment Earnings		567,076	6,486	573,562
Miscellaneous		885,198	19,726	904,924
Total General Revenues		42,207,080	26,212	42,233,292
CHANGE IN NET POSITION		5,216,770	(1,170,062)	4,046,708
Net Position - Beginning of Year		89,613,208	1,735,363	91,348,571
Restatement (See Note 19)		(542,207)	542,207	-
Net Position - Beginning of Year, as Restated		89,071,001	2,277,570	91,348,571
NET POSITION - END OF YEAR		$ 94,287,771	$ 1,107,508	$ 95,395,279

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Mental Health
ASSETS		
Cash and Pooled Investments	$ 18,711,218	$ 1,583,155
Restricted Cash and Pooled Investments	-	-
Receivables:		
Property Tax	95,835	16,490
Future Property tax	24,351,090	4,190,090
Accrued Interest	31,275	-
Accounts	364,222	10
Interest and Penalty on Property Tax	121,830	-
Notes Receivable	-	-
Due from Other Funds	3,658	-
Due from Other Governmental Agencies	1,869,305	225,003
Capital Lease	-	-
Prepaid items	19,785	-
Inventories	-	-
Total Assets	$ 45,568,218	$ 6,014,748
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 1,434,758	$ 1,298
Due to Other Funds	-	1,385
Due to Other Governmental Agencies	250,077	300,000
Unearned Revenue	54,049	-
Salaries and Benefits Payable	1,112,177	30,728
Total Liabilities	2,851,061	333,411
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Future Property Tax	24,351,090	4,190,090
Unavailable Revenue - Delinquent Property Tax	207,690	15,198
Unavailable Revenue - Other	48,319	-
Total Deferred Inflows of Resources	24,607,099	4,205,288
FUND BALANCES		
Nonspendable:		
Prepaid Items	19,785	-
Inventory	-	-
Restricted for:		
Debt Service	-	-
Supplemental Levy Purposes	2,888,524	-
Mental Health Purposes	-	1,476,049
Rural Services Purposes	-	-
Secondary Roads Purposes	-	-
Records Management Purposes	-	-
Conservation Purposes	-	-
Capital Improvement	-	-
Other Purposes	-	-
Assigned for:		
Conservation Land Acquisition	-	-
Unassigned	15,201,749	-
Total Fund Balances	18,110,058	1,476,049
Total Liabilities Deferred Inflows and Fund Balances	$ 45,568,218	$ 6,014,748

See Accompanying Notes to Financial Statements

Rural Services	Secondary Roads	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 1,599,637	$ 3,704,369	$ 2,597,971	$ -	$ 2,205,622	$ 30,401,972
-	-	-	6,200,133	-	6,200,133
2,205	-	16,925	-	-	131,455
2,656,042	-	4,430,224	-	-	35,627,446
-	-	6,934	-	-	38,209
-	2,194	-	-	19,853	386,279
-	-	-	-	-	121,830
-	-	2,420,000	-	-	2,420,000
-	-	-	-	-	3,658
137,295	626,377	242,692	-	2,444	3,103,116
-	-	217,170	-	-	217,170
-	-	-	-	-	19,785
-	463,108	-	-	-	463,108
$ 4,395,179	$ 4,796,048	$ 9,931,916	$ 6,200,133	$ 2,227,919	$ 79,134,161
$ -	$ 274,700	$ -	$ 224,255	$ 266,033	$ 2,201,044
566	1,694	-	-	13	3,658
17,596	18,385	-	-	-	586,058
-	-	-	-	-	54,049
74,186	131,602	-	-	1,555	1,350,248
92,348	426,381	-	224,255	267,601	4,195,057
2,656,042	-	4,430,224	-	-	35,627,446
2,787	-	15,586	-	-	241,261
-	-	217,170	-	-	265,489
2,658,829	-	4,662,980	-	-	36,134,196
-	-	-	-	-	19,785
-	463,108	-	-	-	463,108
-	-	5,268,936	-	-	5,268,936
-	-	-	-	-	2,888,524
-	-	-	-	-	1,476,049
1,644,002	-	-	-	-	1,644,002
-	3,906,559	-	-	-	3,906,559
-	-	-	-	33,457	33,457
-	-	-	-	1,457,295	1,457,295
-	-	-	5,975,878	-	5,975,878
-	-	-	-	435,822	435,822
-	-	-	-	33,744	33,744
-	-	-	-	-	15,201,749
1,644,002	4,369,667	5,268,936	5,975,878	1,960,318	38,804,908
$ 4,395,179	$ 4,796,048	$ 9,931,916	$ 6,200,133	$ 2,227,919	$ 79,134,161

See Accompanying Notes to Financial Statements

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COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds (page 27)		$ 38,804,908
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		100,664,653
Internal service funds used by management to charge the costs of self-insured health, general liability, and worker compensation are included in the statement of net position.		2,080,222
Unavailable revenues from the balance sheet that provide current financial resources for governmental activities.		506,750
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		
Accrued compensated absences	$ (1,849,920)	
Net pension liability	(16,752,715)	
Other postemployment liabilities	(1,382,873)	(19,985,508)
Pension related deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		4,587,105
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(32,291,253)	
Accrued interest payable	(79,106)	(32,370,359)
Total net position - governmental activities (page 23)		$ 94,287,771

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	Mental Health	Rural Services
REVENUES			
Property Tax	$ 21,295,401	$ 4,225,775	$ 2,275,358
Other County Tax	1,220,832	146,432	1,635,556
Interest and Penalty on Property Tax	363,321	-	-
Intergovernmental	9,056,714	1,198,221	154,372
Licenses and Permits	364,315	-	97,304
Charges for Services	4,313,341	86,127	6,634
Use of Money and Property	311,079	-	-
Miscellaneous	2,381,194	-	135
Total Revenues	39,306,197	5,656,555	4,169,359
EXPENDITURES			
Current Operating			
Public Safety and Legal Services	18,391,086	-	1,824,228
Physical Health and Social Services	7,431,336	-	-
Mental Health	-	6,290,031	-
County Environment and Education	4,557,403	-	245,209
Roads and Transportation	-	-	-
Government Services to Residents	2,047,705	-	344
Administration	5,321,948	-	-
Capital Projects	-	-	-
Debt Service			
Principal	320,000	-	-
Bond Issuance Cost	-	-	-
Interest	4,180	-	-
Total Expenditures	38,073,658	6,290,031	2,069,781
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,232,539	(633,476)	2,099,578
OTHER FINANCING SOURCES (USES)			
Transfers In	748,364	-	-
Transfers (Out)	(860,725)	-	(2,372,704)
Bond Proceeds	-	-	-
Proceeds from Sale of Capital Assets	8,037	-	-
Issuance of Refunding Debt	-	-	-
Premium on Bonds Issued	-	-	-
Total Other Financing Sources (Uses)	(104,324)	-	(2,372,704)
NET CHANGE IN FUND BALANCES	1,128,215	(633,476)	(273,126)
Fund Balances - Beginning of Year	16,981,843	2,109,525	1,917,128
FUND BALANCES - END OF YEAR	$ 18,110,058	$ 1,476,049	$ 1,644,002

See Accompanying Notes to Financial Statements

Secondary Roads	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
$ -	$ 4,974,000	$ -	$ -	$ 32,770,534
-	1,615,921	-	-	4,618,741
-	-	-	-	363,321
5,031,745	915,217	251,500	74,393	16,682,162
62,265	-	-	-	523,884
333	-	-	360,051	4,766,486
-	186,499	-	93,547	591,125
32,429	-	-	372,382	2,786,140
5,126,772	7,691,637	251,500	900,373	63,102,393
-	-	-	216,500	20,431,814
-	-	-	-	7,431,336
-	-	-	-	6,290,031
-	-	-	322,144	5,124,756
6,325,744	-	-	-	6,325,744
-	-	-	26,351	2,074,400
-	-	-	1,261	5,323,209
584,176	-	3,835,375	-	4,419,551
-	11,555,000	-	-	11,875,000
-	55,732	21,815	-	77,547
-	1,280,993	-	-	1,285,173
6,909,920	12,891,725	3,857,190	566,256	70,658,561
(1,783,148)	(5,200,088)	(3,605,690)	334,117	(7,556,168)
3,233,429	78,281	-	-	4,060,074
(323,680)	-	(78,281)	(424,684)	(4,060,074)
-	-	1,720,000	-	1,720,000
40,421	-	-	-	48,458
-	4,030,000	-	-	4,030,000
-	80,981	40,085	-	121,066
2,950,170	4,189,262	1,681,804	(424,684)	5,919,524
1,167,022	(1,010,826)	(1,923,886)	(90,567)	(1,636,644)
3,202,645	6,279,762	7,899,764	2,050,885	40,441,552
$ 4,369,667	$ 5,268,936	$ 5,975,878	$ 1,960,318	$ 38,804,908

See Accompanying Notes to Financial Statements

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COUNTY OF BLACK HAWK, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR YEAR ENDED JUNE 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 30)		$ (1,636,644)
Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	$ 6,645,111	
Depreciation expense	(5,586,480)	1,058,631
Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain on the sale of capital assets. This is the effect on the change in net position on the statement of activities.		(19,555)
Revenues reported in the funds that are not available to provide current financial resources		(254,237)
Accrued interest expense that does not require current financial resources		27,235
Proceeds from issuance of long-term debt		(5,750,000)
Premiums received on a bond issuance are reported as an other financing source in the funds, but are deferred and amortized in the statement of activities.		(121,066)
Internal service funds are used by management to charge the costs of partial self-insured health insurance. The net revenue of the internal service funds is reported with governmental activities.		(214,488)
Compensated absences that do not require current financial resources		(211,167)
Other postemployment benefits that do not require current financial resources		(97,327)
Pension expenses reported in the statement of activities do not require the use of current financial resources.		214,027
The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:		
Repayment of debt principal	11,875,000	
Accretion of premium on long-term debt	398,550	
Amortization of discounts on long-term debt	(52,189)	12,221,361
Change in net position of governmental activities (page 25)		$ 5,216,770

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
ASSETS				
CURRENT ASSETS				
Cash and Investments	$ 855,596	$ 272,827	$ 1,128,423	$ 3,405,191
Receivables (Net, Where Applicable, of Allowance for Uncollectibles)				
Accounts	201,555	50,707	252,262	254,150
Due from Other Governmental Agencies	1,788,440	-	1,788,440	177,655
Prepaid Items	5,135	-	5,135	-
Inventories	53,713	-	53,713	-
Total Current Assets	2,904,439	323,534	3,227,973	3,836,996
NONCURRENT ASSETS				
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	1,761,968	1,838,893	3,600,861	-
Total Noncurrent Assets	1,761,968	1,838,893	3,600,861	-
Total Assets	4,666,407	2,162,427	6,828,834	3,836,996
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows	1,764,091	-	1,764,091	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	657,443	2,930	660,373	5,555
Claims Payable	-	-	-	1,324,497
Accrued Interest Payable	-	629	629	-
Salaries and Benefits Payable	323,302	-	323,302	-
Due to Other Governmental Agencies	-	942	942	-
Current Portion of General Obligation Bonds	-	95,000	95,000	-
Compensated Absences	175,436	-	175,436	-
Total Current Liabilities	1,156,181	99,501	1,255,682	1,330,052
NONCURRENT LIABILITIES				
Due in More Than One Year				
General Obligation Bonds	-	94,195	94,195	-
Compensated Absences	297,448	-	297,448	-
Net Pension Liability	5,409,893	-	5,409,893	-
Net OPEB Liability	572,127	-	572,127	-
Total Noncurrent Liabilities	6,279,468	94,195	6,373,663	-
Total Liabilities	7,435,649	193,696	7,629,345	1,330,052
DEFERRED INFLOWS OF RESOURCES				
Pension Related Deferred Inflows	282,794	-	282,794	-
NET POSITION				
Net Investment in Capital Assets	1,761,968	1,649,698	3,411,666	-
Unrestricted	(3,049,913)	319,033	(2,730,880)	2,506,944
Total Net Position	$ (1,287,945)	$ 1,968,731	680,786	$ 2,506,944
Adjustment to Reflect the Consolidated Internal Service Fund Activities Related to the Enterprise Funds			426,722	
Total Net Position of the Business-type Activities			$ 1,107,508	

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
OPERATING REVENUES				
Charges for Services	$ 12,819,455	$ 208,038	$ 13,027,493	$ 8,660,144
Total Operating Revenue				
OPERATING EXPENSES				
Employee Services	11,077,557	-	11,077,557	-
Contract Services	1,213,329	39,081	1,252,410	9,038,393
Supplies	927,549	-	927,549	-
Repairs and Improvements	179,809	44,880	224,689	-
Utilities	166,648	3,147	169,795	-
Miscellaneous	76,062	-	76,062	-
Depreciation	173,597	195,468	369,065	-
Total Operating Expenses	13,814,551	282,576	14,097,127	9,038,393
OPERATING INCOME (LOSS)	(995,096)	(74,538)	(1,069,634)	(378,249)
NONOPERATING INCOME (EXPENSE)				
Interest Income	2,581	3,905	6,486	48,276
Other Nonoperating Income	19,726	-	19,726	-
Interest Expense	-	(11,155)	(11,155)	-
Total Nonoperating Income (Expense)	22,307	(7,250)	15,057	48,276
CHANGE IN NET POSITION	(972,789)	(81,788)	(1,054,577)	(329,973)
Net Position - Beginning of Year	(315,156)	2,050,519		2,836,917
NET POSITION - END OF YEAR	$ (1,287,945)	$ 1,968,731		$ 2,506,944
Adjustment to Reflect the Consolidated Internal Service Fund Activities Related to the Enterprise Funds			(115,485)	
Change in Net Position of Business-Type Activities			$ (1,170,062)	

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 12,307,402	$ 193,038	$ 12,500,440	$ 8,663,649
Cash Paid to Suppliers for Goods and Services	(2,469,563)	(86,174)	(2,555,737)	-
Cash Paid for Claims and to Administrative Provider	-	-	-	(9,003,614)
Cash Paid to Employees for Services Provided	(10,826,408)	-	(10,826,408)	-
Other Nonoperating Income	19,726	-	19,726	-
Net Cash Provided (Used) by Operating Activities	(968,843)	106,864	(861,979)	(339,965)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(35,964)	-	(35,964)	-
Payments on General Obligation Bonds	-	(90,000)	(90,000)	-
Interest Paid on Notes and Bonds	-	(11,044)	(11,044)	-
Net Cash (Used) for Capital and Related Financing Activities	(35,964)	(101,044)	(137,008)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends on Investments	2,581	3,905	6,486	48,276
Net Cash Provided from Investing Activities	2,581	3,905	6,486	48,276
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,002,226)	9,725	(992,501)	(291,689)
Cash and Cash Equivalents - Beginning of Year	1,857,822	263,102	2,120,924	3,696,880
CASH AND CASH EQUIVALENTS - ENDO OF YEAR	$ 855,596	$ 272,827	$ 1,128,423	$ 3,405,191

See Accompanying Notes to Financial Statements

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities			Governmental Activities
	Country View Care Facility	Nonmajor Enterprise Funds	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (loss)	$ (995,096)	$ (74,538)	$ (1,069,634)	$ (378,249)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	173,597	195,468	369,065	-
Miscellaneous Non-Operating Income	19,726	-	19,726	-
(Increase) Decrease in Assets				
Accounts Receivable	20,193	(15,000)	5,193	181,160
Prepaid Expenses	(4,885)	-	(4,885)	-
Due from Other Governments	(532,246)	-	(532,246)	(177,655)
Inventories	(28,942)	-	(28,942)	-
Deferred Outflows	(243,286)	-	(243,286)	-
Increase (Decrease) in Liabilities				
Accounts Payable	127,661	1,103	128,764	4,956
Claims Payable	-	-	-	29,823
Deferred Inflows	(1,071,043)	-	(1,071,043)	-
Accrued Compensated Absences	80,017	-	80,017	-
Accrued Wages and Benefits	112,015	-	112,015	-
Other Post Employment Benefit Liability	41,673	-	41,673	-
Net Pension Liability	1,331,773	-	1,331,773	-
Due to Other Governments	-	(169)	(169)	-
Total Adjustments	26,253	181,402	207,655	38,284
Net Cash Provided (Used) by Operating Activities	$ (968,843)	$ 106,864	$ (861,979)	$ (339,965)

COUNTY OF BLACK HAWK, IOWA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2017

ASSETS		
Cash and Pooled Investments	$	8,691,650
Property Tax and Other Receivable		157,708,137
Total Assets		166,399,787
LIABILTIIES		
Accounts Payable		131,692
Due to Other Governmental Agencies		165,169,440
Trust Payable		1,098,655
Total Liabilities	$	166,399,787

See Accompanying Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

The County of Black Hawk, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

Blended Component Units

These financial statements present Black Hawk County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Each of the component units have a June 30 year-end. Blended Component Units are entities that are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Drainage Districts: Certain drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed, and supervised by the Black Hawk County Board of Supervisors, which is the same governing board as the primary government. The drainage districts are reported as a special revenue fund. Financial information of the individual drainage districts can be obtained from the Black Hawk County Auditor's Office.

The Friends of Hartman Reserve, Inc.: The Friends of Hartman Reserve, Inc. has been incorporated under the provisions of the Iowa Nonprofit Corporation Act, Chapter 504A of the Code of Iowa, for the purpose of providing volunteer resources, including personnel and financial resources, for the Hartman Reserve Nature Center and its governing organization, the Black Hawk County, Iowa Conservation Board. The Center is reported as a special revenue fund. Friends of Hartman is shown as a blended component unit, as it only serves and provides resources to Black Hawk County.

Financial information can be obtained from the Black Hawk County, Iowa's Auditor's Office at 316 East 5th Street, Waterloo, Iowa 50703.

Note 1 - Summary of Significant Accounting Policies (Continued)

Jointly Governed Organizations - The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The Black Hawk County, Iowa's Board of Supervisors are members of or appoint representatives to the following boards and commissions: Black Hawk County, Iowa's Assessor's Conference Board, County Emergency Management Commission and Black Hawk County, Iowa's Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Black Hawk County Criminal Justice Information System, Black Hawk County Solid Waste Management Commission, County Social Services, Tri-County Drug Task Force, Northeast Iowa Response Group, Iowa Northland Regional Housing Council, Iowa County Engineers Association Service Bureau, Consolidated Public Safety Communication Center, Iowa Precinct Atlas Consortium, and North Iowa Juvenile Detention Services Commission.

B. Basic Financial Statements - Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities, and the Country View Care Facility, Rural Water and Rural Sewer funds are classified as business-type activities. The County's internal service funds are classified as primarily governmental type activities.

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. In the government-wide Statement of Net Position, the governmental and business type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The County first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The County does not allocate indirect costs. Certain expenses of the County are accounted for through the internal service fund on a cost-reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided; eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds by category are summarized into a single column. GASB No.34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

1) General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

2) Special Revenue Funds

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Secondary Roads Fund is used to account for secondary road construction and maintenance, which is funded through state and federal grants and internal transfers.

Rural Services Fund is used to account taxes levied to benefit the rural residents of the County.

3) Debt Service Fund – The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.

4) Capital Projects Fund – The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles used are those applicable to similar businesses in the private sector. The County reports the following proprietary funds:

1) Enterprise Funds: To account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges.

Note 1 - Summary of Significant Accounting Policies (Continued)

The County's major enterprise fund:

Country View Care Facility: To account for the activities and operations of the County's certified care facility.

2) Internal Service Fund – Accounts for the County's self-insurance fund, office equipment fund and health insurance fund.

The County's internal service funds are presented in the proprietary fund financial statements. Because the majority of the internal services are related to the County's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. Approximately 25% of the health insurance services are related to Country View and have been allocated to the business-type activities.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates

to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues with the exception of expenditure-driven grants. A one-year availability period is used for expenditure-driven grants.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Those revenues susceptible to accrual are property taxes and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service fund is charges to customers for sales and services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Budgets - The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2017, disbursements did not exceed the amounts budgeted in the County's expenditure functions.

F. Cash and Pooled Investments – The cash balances of most County funds along with its component units are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County and its component units use the following method in determining the reported amounts:

Type	Method
Certificates of Deposit	Cost
Investments	Fair Value

G. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2015 to compute the amounts that became liens on property when the supervisors adopted the FY17 budget. These taxes were due and payable in two installments on September 30, 2016 and March 31, 2017 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.

H. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and is shown as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due to other governments.

Note 1 - Summary of Significant Accounting Policies (Continued)

I. Due to/from Other Funds - During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

J. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.

K. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

L. Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and proprietary financial statements. A liability for these amounts and related benefits is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2017. The compensated absence liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds. Beginning July 1, 2016, three bargaining units included a deferred compensation contribution clause that allows retirees meeting certain conditions to contribute to a deferred compensation account based on their accumulated sick leave balances at retirement. This is a trial program to incentivize employees to not use sick leave.

M. Deferred Outflows / Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources,* represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments. The governmental funds report unavailable revenues from subsequent year property taxes, delinquent property taxes, and other miscellaneous items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

N. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds:

Asset Class	Amount
Infrastructure	$ 50,000
Land and Building Improvements	25,000
Equipment and Vehicles	5,000

Capital assets of the County are depreciated/amortized using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	15 – 65 Years
Improvements Other Than Buildings	10 – 25 Years
Buildings and Structures	10 – 50 Years
Equipment and Vehicles	5 – 20 Years

O. Discounts, Premiums, and Issuance Costs on Long-Term Debt – In the government-wide financial statements and proprietary fund types in the fund financial statements, long- term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Discounts and premiums on the issuance of long-term debt are deferred and amortized over the life of the debt using the effective interest method. Bond issue cost is recognized in the current period.

In the fund financial statements, governmental fund types recognize discounts and premiums on long-term debt as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts and premiums received on debt issuances are reported as other financing sources or uses, as applicable. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – Fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balances as unassigned

Q. Net Position – The net position of the Internal Service Funds is designated for anticipated future catastrophic losses of the County.

Note 2 - Cash and Investments

As of June 30, 2017, the County's cash and investments were as follows:

Cash, Statement of Net Position	$	25,215,016
Cash, Fiduciary Funds		8,691,650
Investments		15,920,703
Total	$	49,827,369

The County maintains cash and investment pools for certain funds where the resources have been pooled in order to maximize investment opportunities. Income from investments is recorded in the General Fund unless otherwise provided by law.

Authorized investments: The County is authorized by statute and policy to invest public funds in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the County and State of Iowa Statute, Chapter 12C; and perfected repurchase agreements, pooled funds including but not limited to mutual funds, trusts and third party management arrangement or improvement certificates of a drainage district. However, the County's investment policy additionally limits investments stating that any bank must be on the most recent State of Iowa Approved Bank List. Additionally, investments in (1) reverse repurchase agreements and (2) securities derived from interest-only cash flows from an underlying collateral debt instrument where there is risk of loss due to early redemption of the collateral are prohibited.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the County's investment policy, the County minimizes the market value risk of investments in the portfolio by separating operating funds from other funds available for investment. Operating funds may not be invested in investments with maturity dates in excess of 397 days. Nonoperating funds may be invested in investments with maturities no greater than 30 months. This ensures that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity.

Investment Type	Maturities	Fair Value
IPAIT Diversified, Money Market Mutual Fund	N/A	$ 15,204,979
Money Market Mutual Fund	N/A	4,814
Mutual Funds, Equities	N/A	710,910
Total		$ 15,920,703

Note 2 - Cash and Investments (Continued)

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

As of June 30, 2017, the County's investments were rated as follows:

Investment Type	Moody's Investors Services	Standard & Poor's
IPAIT Diversified, Money Market Mutual Fund	Not Rated	AAAm
Money Market Mutual Fund	Not Rated	Not Rated
Mutual Funds, Equities	Not Rated	Not Rated

The County uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the County Component Unit's Mutual Funds of $715,724 was determined using the last reported sales price at current exchange rates (Level 1 inputs).

In addition, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of $15,204,979 pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the IPAIT investments.

The County had no other investments meeting the disclosure requirements of Governmental Accounting Standard's Board Statement No. 72.

Concentration of credit risk: The County's investment policy is to apply the prudent-person rule: Investments shall be made utilizing the judgment and care, under the circumstances then present, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering probable safety of their capital as well as the probable income to be derived. The County did not have any investments in any one issuer that represent 5% more of total County investments: mutual funds are excluded from this consideration given the County does not "hold" the underlying investments.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2017, the County's investments were insured or were not subject to custodial credit risk. The blended component unit does own unsecured investments. Time deposits in excess of FDIC insurable limits are secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all County funds to be deposited into an approved depository and be either insured or collateralized. As of June 30, 2017, the County's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

Note 3 - Interfund Receivables and Payables

As of June 30, 2017, short-term interfund borrowings for operating purposes were as follows:

	Due From Other Funds	Due To Other Funds
Governmental Funds:		
General	$ 3,658	$ -
Mental Health	-	1,385
Rural Basic	-	566
Secondary Roads	-	1,694
Nonmajor Funds	-	13
Total	$ 3,658	$ 3,658

These balances represent amounts due between funds due to timing differences in services being performed and reimbursements being made.

Note 4 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2017 is as follows:

	Transfer Out:					
Transfer In:	Secondary Roads	Capital Projects	General	Rural Services	Other Governmental Funds	Total Transfer In
Debt Service	$ -	$ 78,281	$ -	$ -	$ -	$ 78,281
Secondary Roads	-	-	860,725	2,372,704	-	3,233,429
General	323,680	-	-	-	424,684	748,364
Total Transfer Out	$ 323,680	$ 78,281	$ 860,725	$ 2,372,704	$ 424,684	$ 4,060,074

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move unrestricted revenues collected in the rural services fun to finance various programs and capital projects accounted for in other funds in accordance with budgetary authorizations.

Note 5 - Capital Assets

A summary of changes in capital assets, including the component unit is as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Governmental Activities				
Capital Assets not Being Depreciated:				
Land	$ 6,094,818	$ 63,093	$ -	$ 6,157,911
Construction in Progress	5,611,434	5,501,162	7,312,462	3,800,134
Total Capital Assets, not Being Depreciated	11,706,252	5,564,255	7,312,462	9,958,045
Capital Assets Being Depreciated:				
Land Improvements	1,390,156	-	-	1,390,156
Buildings and Structures	28,947,376	2,007,228	-	30,954,604
Machinery and Equipment	14,446,908	992,617	472,634	14,966,891
Infrastructure	103,378,162	5,393,473	-	108,771,635
Total Capital Assets Being Depreciated	148,162,602	8,393,318	472,634	156,083,286
Less Accumulated Depreciation for:				
Land Improvements	1,044,172	44,268	-	1,088,440
Buildings and Structures	12,120,818	638,040	-	12,758,858
Machinery and Equipment	9,322,208	934,061	453,079	9,803,190
Infrastructure	37,756,079	3,970,111	-	41,726,190
Total Accumulated Depreciation	60,243,277	5,586,480	453,079	65,376,678
Total Capital Assets Being Depreciated, Net	87,919,325	2,806,838	19,555	90,706,608
Governmental Activities Capital Assets, Net	$ 99,625,577	$ 8,371,093	$ 7,332,017	$ 100,664,653
Business-Type Activities				
Capital Assets Being Depreciated:				
Land Improvements	$ 111,488	$ -	$ -	$ 111,488
Buildings and Structures	4,879,761	17,194	-	4,896,955
Machinery and Equipment	626,147	18,770	-	644,917
Infrastructure	5,420,639	-	-	5,420,639
Total Capital Assets Being Depreciated	11,038,035	35,964	-	11,073,999
Less Accumulated Depreciation for:				
Land Improvements	81,897	1,599	-	83,496
Buildings and Structures	3,161,696	137,358	-	3,299,054
Machinery and Equipment	474,205	34,640	-	508,845
Infrastructure	3,386,275	195,468	-	3,581,743
Total Accumulated Depreciation	7,104,073	369,065	-	7,473,138
Total Capital Assets Being Depreciated, Net	3,933,962	(333,101)	-	3,600,861
Business-Type Activities Capital Assets, Net	$ 3,933,962	$ (333,101)	$ -	$ 3,600,861

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to the governmental functions as follows:

Public Safety and Legal Services	$	682,856
Physical Health and Social Services		35,032
County Environment and Education		253,679
Roads and Transportation		4,325,512
Governmental Service to Residents		32,111
Administration		257,291
Total	$	5,586,480

Depreciation expense was charged to the business-type activities as follows:

Rural Water	$	66,729
Rural Sewer		128,739
Country View Care Facility		173,597
Total	$	369,065

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	$ 6,157,911	$ -
Construction in Progress	3,800,134	-
Capital Assets (Net of Accumulated Depreciation)	90,706,608	3,600,861
Less *General Obligation Bonds	(25,165,000)	(190,000)
Accounts Payable – Capital Projects Fund	(224,255)	-
Retainage Payable	(129,528)	-
Unspent Bond Proceeds	6,200,133	-
Premiums on Long-Term Debt	(779,176)	-
Discounts on Long-Term Debt	22,923	805
Net Investment in Capital Assets	$ 80,589,750	$ 3,411,666

*General Obligation bond amount shown in the governmental activities column does not include $2,420,000 which was issued as Series 2013B and was used to provide financing for the Solid Waste Commission as well as $3,950,000, which was issued as part of Series 2015A and used to finance the EMA Radio project.

Note 6 - E911 Lease Receivable

On July 22, 2008, the County issued General Obligation Bonds Series 2008B in order to purchase equipment for the E911 Service Board (a jointly governed organization to the County). The total principal and interest on the bonds was $4,759,709 payable in semiannual payments starting December 1, 2009 and ending June 1, 2018. As of June 30, 2016, the 2008B bonds were refunded and the 2015A bonds had an outstanding balance of $895,000. The E911 Service Board is paying the County

Note 6 - E911 Lease Receivable (Continued)

Monthly installments ranging from $30,000 to $155,000 through February 15, 2018 with interest rates ranging from 4.00% to 4.60% per annum. The payments for the E911 Service Board are credited directly to the Debt Service Fund. As of June 30, 2017, the remaining principal balance on the lease receivable owed to the County was $217,170.

Year Ending June 30,	Principal	Interest	Total
2018	$ 217,170	$ 23,920	$ 241,090
Total	$ 217,170	$ 23,920	$ 241,090

Note 7 - Solid Waste Management Commission Note Receivable

On December 10, 2013, the County issued GO Bond Series 2013B in order to loan funds to the Commission for the operation of the Commission's landfill. The bonds issued totaled $5,935,000 and were issued at a premium, after bond issue costs, the Commission received $6,000,000. The Commission is required to make payments to the County in the amounts required by the amortization schedule for the bonds. At June 30, 2017, the outstanding balance is $2,420,000.

Note 8 - Long-Term Liabilities

The following is a summary of changes in long-term liability for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Retirements/ Deletions	Balance June 30, 2017	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 37,340,000	$ 5,750,000	$ 11,555,000	$ 31,535,000	$ 7,455,000
General Obligation Capital Notes	320,000	-	320,000	-	-
Bond Discount	(75,112)	-	(52,189)	(22,923)	-
Bond Premium	1,056,660	121,066	398,550	779,176	-
Net Pension Liability	12,599,081	4,153,634	-	16,752,715	-
Net OPEB Liability	1,285,546	217,761	120,434	1,382,873	-
Compensated Absences	1,638,753	1,828,803	1,617,636	1,849,920	1,211,621
Total	$ 54,164,928	$ 12,071,264	$ 13,959,431	$ 52,276,761	$ 8,666,621
Business-Type Activities:					
General Obligation Bonds	$ 280,000	$ -	$ 90,000	$ 190,000	$ 95,000
Bond Discount	(1,207)	-	(402)	(805)	-
Net Pension Liability	4,078,120	1,331,773	-	5,409,893	-
Net OPEB Liability	530,454	93,239	51,566	572,127	-
Compensated Absences	392,867	169,322	89,305	472,884	175,436
Total	$ 5,280,234	$ 1,594,334	$ 230,469	$ 6,644,099	$ 270,436

Note 8 - Long-Term Liabilities (Continued)

General Obligation Bonds: General obligation bonds have been issued for both governmental and business-type activities. The portion of unmatured general obligation bonds reported in the governmental activities column in the statement of net position to be paid from the Debt Service Fund totaled $31,535,000 as of June 30, 2017. These bonds bear interest with rates ranging from 1.00% to 5.00% and mature in varying annual amounts ranging from $80,000 to $1,295,000 through June 1, 2026.

The portion of unmatured general obligation bonds reported in the business-type activities column in the statement of net position to be paid from proprietary revenues totaled $190,000 as of June 30, 2017. This bond bears interest with rates ranging from 3.65% to 4.00% and matures in annual amounts of $95,000 through June 1, 2019.

Current Refunding - On May 23, 2017, the County issued, as a portion of the Series 2017 bonds, $4,030,000 of bonds for a current refunding of the 2009 bonds. This resulted in future cash flow savings of $349,866, equivalent to a present value savings of $325,982.

General obligation capital loan notes - General obligation capital loan notes had been issued for the governmental activities. These notes bore interest with rates ranging from 0.40% to 1.115% and matured on June 1, 2017 in the amount of $320,000.

Compensated absences: Compensated absences attributable to governmental activities are generally liquidated by the General Fund.

Summary of principal and interest maturities: Annual debt requirements to service all outstanding indebtedness as of June 30, 2017 are as follows:

Governmental Activities	General Obligation Bonds	
Year Ending June 30,	Principal	Interest
2018	$ 7,455,000	$ 946,720
2019	6,910,000	707,619
2020	5,635,000	489,904
2021	3,195,000	296,694
2022	3,190,000	218,941
2023-2026	5,150,000	262,088
Total	$ 31,535,000	$ 2,921,966

Business-Type Activities	General Obligation Bonds	
Year Ending June 30,	Principal	Interest
2018	$ 95,000	$ 7,553
2019	95,000	3,800
Total	$ 190,000	$ 11,353

Note 8 - Long-Term Liabilities (Continued)

The Governmental General Obligation Bonds are shown net of the unamortized premiums of $779,176 and discounts of $(22,923) on the Statement of Net Position.

General Obligation Bonds	$ 31,535,000	Exhibit 1 - Statement of Net Position	
Unamortized Discounts	(22,923)	General Obligation Bonds Payable-Current	$ 7,455,000
Unamortized Premiums	779,176	General Obligation Bonds Payable-Long-Term	24,836,253
Total	$ 32,291,253	Total	$ 32,291,253

The Rural Sewer general obligation bonds were also shown net of unamortized bond discount of $805.

The computation of the County's legal margin as of June 30, 2017 is as follows:

January 2015 Assessed Valuation (100%)	$	9,132,363,229
Debt Limit, 5% of Assessed Valuation (Iowa Statutory Limitation)		456,618,161
Total Amount of Debt Applicable to Debt Margin		(31,535,000)
Amount Available for Repayment of Debt		5,268,936
Legal Debt Margin	$	430,352,097

Note 9 - Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to any employee who, with the consent of Black Hawk County, elects to reduce a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, inservice distribution or unforeseeable emergency. The Plan was amended to comply with IRC Section 457(b) which allowed for the Plan to hold its assets in trust. Under these new requirements, the assets of the Plan are no longer subject to the general creditors of the County. The assets are maintained in trust by the employer in connection with the Plan. The Plan is maintained for the exclusive benefit of the employee or his/her beneficiary and, therefore, the liability and corresponding investment are not reflected in the financial statements.

Note 10 - Employee Health Insurance Plan

The County is self-insured for its employee medical coverage. The internal service, Health Insurance Fund, was established to account for revenues and expenses of the County's health insurance benefit plan. The benefit plan is funded by both employee and County contributions and claims are administered by a third party administrator, PreferredOne. A stop-loss insurance policy has been obtained for the health plan to limit the amount of payments by the County on an individual basis to $115,000 per year. In addition to the individual stop loss coverage, the County has purchased aggregate excess loss coverage of 125% of expected claims during the year, approximately $8,630,246.

Monthly payments of service fees and plan contributions to the internal service, Health Insurance Fund, are recorded as expenditures from the operating funds.

Note 10 - Employee Health Insurance Plan (Continued)

Amounts payable from the internal service, Health Insurance Fund, as of June 30, 2017 totaled $1,261,508 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses.

Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the claims payable in fiscal years 2017 and 2016 are as follows:

	2016	2017
Claims Payable, Beginning of Year	$ 1,041,018	$ 1,189,803
Claims Recognized	8,080,804	8,080,048
Claim Payments and Change in Accrual	(7,932,019)	(8,008,343)
Claims Payable, End of Year	$ 1,189,803	$ 1,261,508

Note 11 - Risk Management

Black Hawk County is exposed to various risks of loss related to torts; theft damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has purchased commercial insurance to protect against errors and omissions and injuries to employees. The County is a member of the Iowa Communities Assurance Pool (ICAP). The membership in the ICAP protects against loss related to torts; theft, damage to and destruction of assets; and natural disasters. ICAP is a risk sharing pool where liability of each member is limited to their financial contribution; no member is responsible for the liabilities of any other member. The County is responsible for the first $50,000 of settlements. Below is the activity of what has been accrued for the deductibles of outstanding claims under the pooled plan.

	2016	2017
Claims Payable, Beginning of Year	$ 80,003	$ 104,871
Claims Recognized	64,150	68,712
Claim Payments and Change in Accrual	(39,282)	(110,594)
Claims Payable, End of Year	$ 104,871	$ 62,989

Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12 - Pension and Retirement

Plan description - IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan

Note 12 - Pension and Retirement (Continued)

documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55.

The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary).

Sheriff and deputy protection occupation members may retire at normal retirement age which is generally at age 55. Sheriff and deputy protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a protection occupation members' monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.

- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a Jump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Note 12 - Pension and Retirement (Continued)

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30 year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2017, pursuant to the required rate, regular members contributed 5.95% of pay and the County contributed 8.93% for a total rate of 14.88%. The Sheriff's deputies and the County each contributed 9.63% of covered payroll, for a total rate of 19.26%. Protective occupation members contributed 6.56% of pay and the County contributed 9.84% for a total rate of 16.40%.

The County's total contributions to IPERS for the year ended June 30, 2017 were $2,703,239.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the County reported a liability of $22,162,608 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2016, the County's collective proportion was .3218354%, which was an increase of 0.000404 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of $2,550,578. At June 30, 2017 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 177,383	$ 484,582
Changes of assumptions	306,213	136,649
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,037,695	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	2,389	537,286
County Contributions Subsequent to the Measurement Date	2,703,239	-
Total	$ 7,226,919	$ 1,158,517

$2,703,239 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Note 12 - Pension and Retirement (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2018	$	160,433
2019		160,433
2020		1,931,012
2021		1,142,569
2022		(29,284)
Total	$	3,365,163

Actuarial assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (Effective June 30, 2014)	3.00% Per Annum
Rates of Salary Increases (Effective June 30, 2010)	4.00 to 17% Average, Including Inflation. Rates Vary by Membership Group.
Investment Rate of Return (Effective June 30, 1996)	7.50% Per Annum, Compounded Annually, Net of Pension Plan Investment Expense, and Including Inflation.
Wage Growth (Effective June 30, 1999)	4.00% Per Annum, Based on 3.00% Inflation and 1.00% Real Wage Inflation.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Generational Mortality Table for Males or Females as appropriate with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Note 12 - Pension and Retirement (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	28%	1.90%
Domestic Equity	24	5.85
International Equity	16	6.32
Private Equity/Debt	11	10.31
Real Estate	8	3.87
Credit Opportunities	5	4.48
U.S. TIPS	5	1.36
Other Real Assets	2	6.42
Cash	1	(0.26)
Total	100%	

Discount rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long- term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6. 50%) or 1 percentage point higher (8.5%) than the current rate.

	1% Decrease 6.5%	Discount Rate 7.5%	1% Increase 8.5%
County's proportionate share of the net Pension Liability	$ 39,137,957	$ 22,162,608	$ 7,853,739

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report which is available on IPERS' website at www.ipers.org.

Payables to the pension plan - At June 30, 2017, the County reported payables to the defined benefit pension plan of $294,029 for legally required employer contributions and $160,701 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 13 - Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer retiree benefit plan which provides self-insured medical/prescription drug benefits for all active employees and retirees and their eligible dependents. Sheriff's deputies must be a minimum of age 50 with 22 or more years of service to be eligible for retiree benefits. All other employees must be a minimum of age 55 with four or more years of service to be eligible for retiree benefits. Benefits cease upon attaining age 65. There are also six retirees receiving an explicit subsidy until age 65. One future retiree is eligible for this explicit subsidy.

No stand-alone financial report is issued, the plan is self-funded and included in the County's financial statements.

Funding Policy - The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the County's union contracts. Retirees pay the full premium. The current funding policy of the County is to pay health claims as they occur.

Annual OPEB Cost and Net OPEB Obligation – The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2017, the amount actually contributed to the plan and changes in the County's OPEB obligation:

Annual Required Contribution	$	304,000
Interest on Net OPEB Obligation		67,000
Adjustment to Annual Required Contribution		(60,000)
Annual OPEB Cost		311,000
Contributions Made		(172,000)
Increase in Net OPEB Obligation		139,000
Net OPEB 0bligation, Beginning of Year		1,816,000
Net OPEB Obligation, End of Year	$	1,955,000

For calculation of the net OPEB obligation, the actuary has set the transition day as July, 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2017. The General Fund, Secondary Roads Fund, Rural Services Fund, Mental Health Fund and Country View Care Facility Fund typically fund this liability.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years 2010 through 2017 are summarized as follows:

Note 13 - Other Postemployment Benefits (OPEB) (Continued)

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	$ 311,000	55%	$ 1,955,000
June 30, 2016	311,000	55	1,816,000
June 30, 2015	271,000	42	1,677,000
June 30, 2014	271,000	42	1,519,000
June 30, 2013	302,000	38	1,361,000
June 30, 2012	302,000	38	1,174,000
June 30, 2011	290,280	28	987,000
June 30, 2010	362,000	28	778,720

Funded Status and Funding Progress - As of July 1, 2015, the most recent actuarial valuation date for the period July 1, 2015 through June 30, 2016, the actuarial accrued liability was $3,139,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $3,139,000. The covered payroll (annual payroll of active employees covered by the plan) was $25,389,842 and the ratio of the UAAL to covered payroll was 12.4%. As of June 30, 2017, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information in the section following the Notes to Financial Statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2015 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% discount rate based on the County's funding policy. The projected annual medical trend rate is 8.5%. The ultimate medical trend rate is 4.5%. The medical trend rate is reduced 0.5% each year until reaching the 4.5% ultimate trend rate.

Mortality rates are from RP2014 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2015 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2015.

Assumptions also include a 3.5% rate of inflation and a 3.5% growth in payroll per annum. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 14 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2017, the County estimates that no material liabilities will result from such audits.

Pending Litigation

The County is a defendant in several lawsuits in the course of operations. In the opinion of the County Attorney and management, the resolution of such litigation will not have a material adverse effect on the future financial statements of the County.

Note 15 - Conduit Debt Obligations

The County has issued Health Care Facility and Industrial Revenue Bonds under the provisions of Chapter 419 of the Code of Iowa, to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and payable solely from the private-sector entity. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2017, Industrial Revenue Bonds outstanding had an original issue amount of $8,620,000. The outstanding balance at June 30, 2017 was $6,241,153.

Note 16 - Construction and Other Significant Commitments

The County has entered into contracts totaling $8,110,453 for various bridge and road construction, engineering and other maintenance projects, which were ongoing at year end. As of June 30, 2017, costs of $3,136,073 had been incurred against the contracts. The balance of $4,974,380 remaining at June 30, 2017 will be paid as work on the projects progress.

The County has also entered into a contract to purchase three motor graders for the Secondary Roads Department in fiscal year 2018 for a total of $873,000.

Note 17 - Black Hawk County Financial Information Included in the County Social Services Mental Health Region

County Social Services Mental Health Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective June 27, 2014 and includes twenty-two member counties. The financial activity of Black Hawk County's Special Revenue, Mental Health Fund is included in the County Social Services Mental Health Region for the year ended June 30, 2017 as follows:

Revenues:		
Property and Other County Tax		$ 4,372,207
Intergovernmental Revenues:		
State Tax Credits	$ 393,679	
Payments from Regional Fiscal Agent	804,267	
Other Intergovernmental Revenues	275	1,198,221
Charges for Services		86,127
Total Revenues		5,656,555
Expenditures:		
Services to Persons with Mental Illness		$ 689,134
General Administration		
Direct Administration	130,022	
Distribution to Regional Fiscal Agent	5,470,875	5,600,897
Total Expenditures		6,290,031
Excess of Expenditures Over Revenues		(633,476)
Fund Balance, Beginning of the Year		2,109,525
Fund Balance, End of the Year		$ 1,476,049

Note 18 - Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizen of those governments.

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2017 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Cedar Falls	Urban Renewal & Economic Development Projects	$86,745
City of Evansdale	Urban Renewal & Economic Development Projects	4,689
City of Hudson	Urban Renewal & Economic Development Projects	5,205
City of Waterloo	Urban Renewal & Economic Development Projects	235,326

Note 19 - Restatement

Beginning net position of governmental activities and business-type activities has been restated in the amount of $542,207 to account for the internal service crossover adjustment. In prior years the activity was accounted for entirely as governmental. This was corrected in fiscal year 2017 and a portion of the internal service fund activity that represents business-type operations has been allocated.

	Governmental Activities	Business-Type Activities
Net Position June 30, 2016, as Previously Reported	$ 89,613,208	$ 1,735,363
Allocation of Health Insurance Fund to Business-Type Activities	(542,207)	542,207
Net Position June 30, 2016, as Restated	$ 89,071,001	$ 2,277,570

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Note 20 - New Accounting Pronouncement

The County adopted the tax abatement disclosure guidance set forth in Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transactions more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements. The Notes to Financial Statements include information about the County's tax abatements and tax abatements of other entities which impact the County.

Note 21 - Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement will be implemented for the fiscal year ending June 30, 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with postemployment benefits other than pensions, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the County's other postemployment benefits.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, ALL GOVERNMENTAL FUND TYPES, BUDGETARY BASIS
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Amended	Actual	Positive (Negative)
REVENUE				
Property Tax	$ 33,340,784	$ 33,340,784	$ 32,770,534	$ (570,250)
Other County Tax	4,413,147	4,413,147	4,618,741	205,594
Interest and Penalty on Property Tax	384,500	384,500	363,321	(21,179)
Intergovernmental	15,734,419	15,995,669	16,682,162	686,493
Licenses and Permits	576,200	576,200	523,884	(52,316)
Charges for Services	4,481,748	4,521,748	4,766,486	244,738
Use of Money and Property	980,281	980,281	591,125	(389,156)
Miscellaneous, Primarily Contributions	4,966,591	5,766,591	2,786,140	(2,980,451)
Total Revenue	64,877,670	65,978,920	63,102,393	(2,876,527)
EXPENDITURES				
Current Operating				
Public Safety and Legal Services	21,444,509	21,794,509	20,431,814	1,362,695
Physical Health and Social Services	7,852,219	7,952,219	7,431,336	520,883
Mental Health	6,323,340	6,323,340	6,290,031	33,309
County Environment and Education	6,426,151	7,455,151	5,124,757	2,330,394
Roads and Transportation	7,168,298	7,168,298	6,325,744	842,554
Government Services to Residents	2,075,678	2,115,678	2,074,400	41,278
Administration	6,035,764	6,046,764	5,323,208	723,556
Capital Projects	9,157,000	9,157,000	4,419,551	4,737,449
Debt Service	9,097,091	13,227,491	13,237,720	(10,229)
Total Expenditures	75,580,050	81,240,450	70,658,561	10,581,889
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,702,380)	(15,261,530)	(7,556,168)	7,705,362
OTHER FINANCING SOURCES (USES)				
Transfers In	3,233,429	3,233,429	4,060,074	826,645
Transfers (Out)	(3,233,429)	(3,233,429)	(4,060,074)	(826,645)
Bond Proceeds	-	5,750,000	1,720,000	(4,030,000)
Proceeds from Sale of Capital Assets	2,500	2,500	48,458	45,958
Issuance of Refunding Debt	-	-	4,030,000	4,030,000
Premium on Bonds Issued	-	-	121,066	121,066
Total Other Financing Sources (Uses)	2,500	5,752,500	5,919,524	167,024
NET CHANGE IN FUND BALANCES	$ (10,699,880)	$ (9,509,030)	(1,636,644)	$ 7,872,386
Fund Balances - Beginning of Year			40,441,552	
FUND BALANCES - END OF YEAR			$ 38,804,908	

See accompanying notes to the required supplementary information.

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the modified accrual basis following required public notice and hearing for all funds except Agency Funds, Enterprise Funds and the Internal Service Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the modified accrual budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by $5,660,400. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2017, disbursements did not exceed the amounts budgeted.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
For the Year Ended June 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008	$ -	$ 4,319,000	$ 4,319,000	- %	$ 22,723,576	19.0 %
2010	July 1, 2009	-	3,432,000	3,432,000	-	23,861,244	14.4
2011	July 1, 2009	-	3,432,000	3,432,000	-	27,072,108	12.7
2012	July 1, 2011	-	2,905,000	2,905,000	-	27,322,434	10.6
2013	July 1, 2011	-	2,905,000	2,905,000	-	28,058,641	10.4
2014	July 1, 2013	-	2,721,000	2,721,000	-	28,200,000	9.6
2015	July 1, 2013	-	2,721,000	2,721,000	-	28,216,094	9.6
2016	July 1, 2015	-	3,139,000	3,139,000	-	28,900,000	10.9
2017	July 1, 2015	-	3,139,000	3,139,000	-	25,389,842	12.4

* Fiscal 2009 was the first year for calculating the Postemployment Benefit Obligation so information from previous years is not available.

See Note 13 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and Net OPEB Obligation, funding status and funding progress.

See accompanying notes to the required supplementary information.

BLACK HAWK COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL YEAR*
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016	2015
County's Proportion of the Net Pension Liability	0.3218354%	0.3214310%	0.3320042%
County's Proportionate Share of the Net Pension Liability	$ 22,163	$ 16,677	$ 13,167
County's Covered Payroll	$ 28,900	$ 28,216	$ 27,774
County's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	76.69%	57.71%	46.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.31%	85.19%	87.61%

*The amounts presented for each fiscal year were determined as of June 30.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

See accompanying notes to the required supplementary information.

BLACK HAWK COUNTY
SCHEDULE OF THE COUNTY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

	2017	2016	2015	2014	2013
Statutorily Required Contribution	$ 2,703	$ 2,602	$ 2,577	$ 2,564	$ 2,475
Contributions In Relation to the Statutorily Required Contribution	(2,703)	(2,602)	(2,577)	(2,564)	(2,475)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 29,876	$ 28,900	$ 28,216	$ 27,774	$ 27,165
Contributions as a Percentage of Covered Payroll	9.05%	9.00%	9.13%	9.23%	9.11%

	2012	2011	2010	2009	2008
Statutorily Required Contribution	$ 2,363	$ 1,968	$ 1,827	$ 1,690	$ 1,574
Contributions In Relation to the Statutorily Required Contribution	(2,363)	(1,968)	(1,827)	(1,690)	(1,574)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
County's Covered Payroll	$ 28,006	$ 26,677	$ 26,458	$ 25,350	$ 24,440
Contributions as a Percentage of Covered Payroll	8.44%	7.38%	6.91%	6.67%	6.44%

See accompanying notes to the required supplementary information.

Changes of Benefit Terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Changes of Assumptions

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

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SUPPLEMENTARY INFORMATION

COUNTY OF BLACK HAWK, IOWA
COMBINING BALANCE SHEET
GOVERNMENTAL NONMAJOR FUNDS
JUNE 30, 2017

	Special Revenue Funds		
	Resource Enhancement and Protection	County Recorder's Records Management	Sheriff's Commissary
ASSETS			
Cash and Pooled Investments	$ 197,957	$ 31,329	$ 429,591
Receivables:			
Accounts	-	-	19,853
Due from Other Governmental Agencies	-	2,444	-
Total Assets	$ 197,957	$ 33,773	$ 449,444
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 23,532	$ 316	$ 14,039
Due to Other Funds	-	-	13
Salaries and Benefits Payable	-	-	1,555
Total Liabilities	23,532	316	15,607
FUND BALANCES			
Restricted for:			
Records Management Purposes	-	33,457	-
Other Purposes	-	-	433,837
Conservation Purposes	174,425	-	-
Assigned for:			
Conservation Land Acquisition	-	-	-
Total Fund Balances	174,425	33,457	433,837
Total Liabilities, Deferred Inflows, and Fund Balances	$ 197,957	$ 33,773	$ 449,444

Special Revenue Funds		Capital Projects	
Drainage Districts	Friends of Hartman Reserve Fund	Conservation Land Acquisition Fund	Total
$ 1,985	$ 1,506,471	$ 38,289	$ 2,205,622
-	-	-	19,853
-	-	-	2,444
$ 1,985	$ 1,506,471	$ 38,289	$ 2,227,919
$ -	$ 223,601	$ 4,545	$ 266,033
-	-	-	13
-	-	-	1,555
-	223,601	4,545	267,601
-	-	-	33,457
1,985	-	-	435,822
-	1,282,870	-	1,457,295
-	-	33,744	33,744
1,985	1,282,870	33,744	1,960,318
$ 1,985	$ 1,506,471	$ 38,289	$ 2,227,919

COUNTY OF BLACK HAWK, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL NONMAJOR FUNDS
YEAR ENDED JUNE 30, 2017

	Special Revenue Funds		
	Resource Enhancement and Protection	County Recorder's Records Management	Sheriff's Commissary
REVENUES			
Intergovernmental	$ 74,393	$ -	$ -
Charges for Services	-	23,263	310,530
Use of Money and Property	2,577	463	-
Miscellaneous	36,727	-	-
Total Revenues	113,697	23,726	310,530
EXPENDITURES			
Current Operating:			
Public Safety and Legal Services	-	-	216,500
County Environment and Education	163,203	-	-
Government Services to Residents	-	26,351	-
Capital Projects	-	-	-
Total Expenditures	163,203	26,351	216,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(49,506)	(2,625)	94,030
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCES	(49,506)	(2,625)	94,030
Fund Balances - Beginning of Year	223,931	36,082	339,807
FUND BALANCES - END OF YEAR	$ 174,425	$ 33,457	$ 433,837

Special Revenue Funds		Capital Projects	
Drainage Districts	Friends of Hartman Reserve Fund	Conservation Land Acquisition Fund	Total
$ -	$ -	$ -	$ 74,393
-	24,258	2,000	360,051
-	90,507	-	93,547
-	320,452	15,203	372,382
-	435,217	17,203	900,373
-	-	-	216,500
-	148,285	10,656	322,144
-	-	-	26,351
1,261	-	-	1,261
1,261	148,285	10,656	566,256
(1,261)	286,932	6,547	334,117
-	(424,684)	-	(424,684)
-	(424,684)	-	(424,684)
(1,261)	(137,752)	6,547	(90,567)
3,246	1,420,622	27,197	2,050,885
$ 1,985	$ 1,282,870	$ 33,744	$ 1,960,318

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF NET POSITION
ENTERPRISE NONMAJOR FUNDS
JUNE 30, 2017

	Business-Type Activities		
	Rural Sewer	**Rural Water**	**Total**
ASSETS			
Current Assets			
Cash and Investments	$ 60,229	$ 212,598	$ 272,827
Receivables:			
Accounts	47,943	2,764	50,707
Total Current Assets	108,172	215,362	323,534
Noncurrent Assets			
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	1,386,618	452,275	1,838,893
Total Non Current Assets	1,386,618	452,275	1,838,893
Total Assets	1,494,790	667,637	2,162,427
LIABILITIES			
Accounts Payable	2,930	-	2,930
Accrued Interest Payable	629	-	629
Current portion of general obligation bonds	95,000	-	95,000
Due to Other Governments	-	942	942
Total Current Liabilities	98,559	942	99,501
Noncurrent Liabilities			
Due in more than one year General Obligation Bonds	94,195	-	94,195
Total Non Current Liabilities	94,195	-	94,195
Total Liabilities	192,754	942	193,696
NET POSITION			
Net Investment in Capital Assets	1,197,423	452,275	1,649,698
Unrestricted	104,613	214,420	319,033
Total Net Position	$ 1,302,036	$ 666,695	$ 1,968,731

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE NONMAJOR FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities		
	Rural Sewer	Rural Water	Total
OPERATING REVENUES			
Charges for Services	$ 193,999	$ 14,039	$ 208,038
Total Operating Revenue	193,999	14,039	208,038
OPERATING EXPENSES			
Contract Services	38,544	537	39,081
Repairs and Improvements	39,479	5,401	44,880
Utilities	3,147	-	3,147
Depreciation	128,739	66,729	195,468
Total Operating Expenses	209,909	72,667	282,576
OPERATING (LOSS)	(15,910)	(58,628)	(74,538)
NONOPERATING INCOME (EXPENSE)			
Interest Income	1,307	2,598	3,905
Interest Expense	(11,155)	-	(11,155)
Total NonOperating Income (Expense)	(9,848)	2,598	(7,250)
CHANGES IN NET POSITION	(25,758)	(56,030)	(81,788)
Net Position - Beginning of Year	1,327,794	722,725	2,050,519
NET POSITION - END OF YEAR	$ 1,302,036	$ 666,695	$ 1,968,731

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE NONMAJOR FUNDS
YEAR ENDED JUNE 30, 2017

	Business-Type Activities		
	Rural Sewer	Rural Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ 179,675	$ 13,363	$ 193,038
Cash Paid to Suppliers for Goods and Services	(80,269)	(5,905)	(86,174)
Net Cash Provided (Used) by Operating Activities	99,406	7,458	106,864
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments on Capital Loan Notes and Bonds	(90,000)	-	(90,000)
Interest Paid on Capital Loan Notes and Bonds	(11,044)	-	(11,044)
Net Cash (Used) for Capital and Related Financing Activities	(101,044)	-	(101,044)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends on Investments	1,307	2,598	3,905
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(331)	10,056	9,725
Cash and Cash Equivalents at Beginning of Year	60,560	202,542	263,102
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 60,229	$ 212,598	$ 272,827
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Net Operating (Loss)	$ (15,910)	$ (58,628)	$ (74,538)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	128,739	66,729	195,468
(Increase) Decrease in Assets:			
Accounts Receivable	(14,324)	(676)	(15,000)
Increase (Decrease) in Liabilities:			
Accounts Payable	1,103	-	1,103
Due to Other Governments	(202)	33	(169)
Total Adjustments	115,316	66,086	181,402
Net Cash Provided by Operating Activities:	$ 99,406	$ 7,458	$ 106,864

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

	Health Insurance	Self-Insurance	Office Equipment	Total
ASSETS				
Cash and Pooled Investments	$ 2,501,292	$ 834,443	$ 69,456	$ 3,405,191
Accounts Receivable	253,650	500	-	254,150
Due from Other Governmental Agencies	177,655	-	-	177,655
Total Assets	2,932,597	834,943	69,456	3,836,996
LIABILITIES				
Accounts Payable	132	5,423	-	5,555
Accrued Claims	1,261,508	62,989	-	1,324,497
Total Liabilities	1,261,640	68,412	-	1,330,052
NET POSITION				
Unrestricted	$ 1,670,957	$ 766,531	$ 69,456	$ 2,506,944

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVCIE FUNDS
YEAR ENDED JUNE 30, 2017

	Health Insurance	Self-Insurance	Office Equipment	Total
OPERATING REVENUES				
Charges for Services to Operating Funds	$ 8,468,428	$ 166,716	$ 25,000	$ 8,660,144
Total Operating Revenue	8,468,428	166,716	25,000	8,660,144
OPERATING EXPENSES				
Contract Services	8,959,449	73,013	5,931	9,038,393
Total Operating Expenses	8,959,449	73,013	5,931	9,038,393
OPERATING INCOME (LOSS)	(491,021)	93,703	19,069	(378,249)
NONOPERATING INCOME				
Revenues and Interest on Investments	38,140	9,480	656	48,276
CHANGE IN NET POSITION	(452,881)	103,183	19,725	(329,973)
Net Position - Beginning of Year	2,123,838	663,348	49,731	2,836,917
NET POSITION - END OF YEAR	$ 1,670,957	$ 766,531	$ 69,456	$ 2,506,944

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	Health Insurance	Self-Insurance	Office Equipment	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Users	$ 8,472,433	$ 166,216	$ 25,000	$ 8,663,649
Cash Paid for Claims and Administrative Provider	(8,888,211)	(109,472)	(5,931)	(9,003,614)
Net Cash Provided (Used) by Operating Activities	(415,778)	56,744	19,069	(339,965)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	38,140	9,480	656	48,276
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(377,638)	66,224	19,725	(291,689)
Cash and Pooled Investments - Beginning of Year	2,878,930	768,219	49,731	3,696,880
CASH AND POOLED INVESTMENTS - END OF YEAR	$ 2,501,292	$ 834,443	$ 69,456	$ 3,405,191
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities				
NET OPERATING INCOME (LOSS)	$ (491,021)	$ 93,703	$ 19,069	$ (378,249)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
(Increase) Decrease in Assets:				
Accounts Receivable	181,660	(500)	-	181,160
Due from Other Governmental Agencies	(177,655)	-	-	(177,655)
Increase (Decrease) in Liabilities:				
Accounts Payable	(467)	5,423	-	4,956
Claims Payable	71,705	(41,882)	-	29,823
Total Adjustments	75,243	(36,959)	-	38,284
Net Cash Provided (Used) from Operating Activities	$ (415,778)	$ 56,744	$ 19,069	$ (339,965)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
County Offices Fund				
Assets				
Cash and Pooled Investments	$ 553,566	$ 575,606	$ 553,566	$ 575,606
Property Tax and Other Receivable	4,480	3,581	4,480	3,581
Total Assets	$ 558,046	$ 579,187	$ 558,046	$ 579,187
Liabilities				
Due to Other Governmental Agencies	$ 262,163	$ 249,932	$ 262,161	$ 249,934
Trust Payable	295,883	329,255	295,885	329,253
Total Liabilities	$ 558,046	$ 579,187	$ 558,046	$ 579,187
Agricultural Extension Education Fund				
Assets				
Cash and Pooled Investments	$ 3,564	$ 490,638	$ 490,810	$ 3,392
Property Tax and Other Receivable	452,222	467,404	452,223	467,403
Total Assets	$ 455,786	$ 958,042	$ 943,033	$ 470,795
Liabilities				
Due to Other Governmental Agencies	$ 455,786	$ 505,819	$ 490,810	$ 470,795
Total Liabilities	$ 455,786	$ 505,819	$ 490,810	$ 470,795
County Assessor Fund				
Assets				
Cash and Pooled Investments	$ 2,495,242	$ 1,534,353	$ 1,300,728	$ 2,728,867
Property Tax and Other Receivable	1,380,314	1,379,045	1,380,314	1,379,045
Total Assets	$ 3,875,556	$ 2,913,398	$ 2,681,042	$ 4,107,912
Liabilities				
Accounts Payable	$ 39,499	$ 40,571	$ 39,498	$ 40,572
Due to Other Governmental Agencies	3,836,057	4,067,340	3,836,057	4,067,340
Total Liabilities	$ 3,875,556	$ 4,107,911	$ 3,875,555	$ 4,107,912
Schools Taxing District Fund				
Assets				
Cash and Pooled Investments	$ 567,283	$ 76,290,404	$ 76,318,667	$ 539,020
Property Tax and Other Receivable	70,261,610	75,600,568	70,261,610	75,600,568
Total Assets	$ 70,828,893	$ 151,890,972	$ 146,580,277	$ 76,139,588
Liabilities				
Due to Other Governmental Agencies	$ 70,828,893	$ 76,139,589	$ 70,828,894	$ 76,139,588
Total Liabilities	$ 70,828,893	$ 76,139,589	$ 70,828,894	$ 76,139,588

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Community College Taxing District Fund				
Assets				
Cash and Pooled Investments	$ 36,702	$ 5,132,395	$ 5,133,770	$ 35,327
Property Tax and Other Receivable	4,730,307	5,060,043	4,730,307	5,060,043
Total Assets	$ 4,767,009	$ 10,192,438	$ 9,864,077	$ 5,095,370
Liabilities				
Due to Other Governmental Agencies	$ 4,767,009	$ 5,462,131	$ 5,133,770	$ 5,095,370
Total Liabilities	$ 4,767,009	$ 5,462,131	$ 5,133,770	$ 5,095,370
Corporations Taxing District Fund				
Assets				
Cash and Pooled Investments	$ 689,196	$ 82,137,326	$ 82,247,832	$ 578,690
Property Tax and Other Receivable	75,040,203	74,258,744	75,040,203	74,258,744
Total Assets	$ 75,729,399	$ 156,396,070	$ 157,288,035	$ 74,837,434
Liabilities				
Due to Other Governmental Agencies	$ 75,729,399	$ 81,355,867	$ 82,247,832	$ 74,837,434
Total Liabilities	$ 75,729,399	$ 81,355,867	$ 82,247,832	$ 74,837,434
City Special Assessments Fund				
Assets				
Cash and Pooled Investments	$ 26,962	$ 255,482	$ 265,256	$ 17,188
Property Tax and Other Receivable	218,796	238,885	218,796	238,885
Total Assets	$ 245,758	$ 494,367	$ 484,052	$ 256,073
Liabilities				
Due to Other Governmental Agencies	$ 245,758	$ 275,571	$ 265,256	$ 256,073
Total Liabilities	$ 245,758	$ 275,571	$ 265,256	$ 256,073

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Auto License and Use Tax Fund				
Assets				
Cash and Pooled Investments	$ 2,945,112	$ 36,328,181	$ 36,281,729	$ 2,991,564
Total Assets	$ 2,945,112	$ 36,328,181	$ 36,281,729	$ 2,991,564
Liabilities				
Due to Other Governmental Agencies	$ 2,945,112	$ 36,328,181	$ 36,281,729	$ 2,991,564
Total Liabilities	$ 2,945,112	$ 36,328,181	$ 36,281,729	$ 2,991,564
Other Funds				
Assets				
Cash and Pooled Investments	$ 1,532,828	$ 7,573,215	$ 7,884,047	$ 1,221,996
Property Tax and Other Receivable	668,792	699,867	668,791	699,868
Total Assets	$ 2,201,620	$ 8,273,082	$ 8,552,838	$ 1,921,864
Liabilities				
Accounts Payable	$ 171,489	$ 41,120	$ 121,489	$ 91,120
Due to Other Governmental Agencies	1,072,571	1,061,343	1,072,571	1,061,343
Trust Payable	957,560	769,401	957,560	769,401
Total Liabilities	$ 2,201,620	$ 1,871,864	$ 2,151,620	$ 1,921,864

(Continued)

COUNTY OF BLACK HAWK, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Total All Agency Funds				
Assets				
Cash and Pooled Investments	$ 8,850,455	$ 210,317,600	$ 210,476,405	$ 8,691,650
Property Tax and Other Receivable	152,756,724	157,708,137	152,756,724	157,708,137
Total Assets	$ 161,607,179	$ 368,025,737	$ 363,233,129	$ 166,399,787
Liabilities				
Accounts Payable	$ 210,988	$ 81,691	$ 160,987	$ 131,692
Due to Other Governmental Agencies	160,142,748	205,445,772	200,419,080	165,169,440
Trust Payable	1,253,443	1,098,657	1,253,445	1,098,655
Total Liabilities	$ 161,607,179	$ 206,626,120	$ 201,833,512	$ 166,399,787

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STATISTICAL INFORMATION

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COUNTY OF BLACK HAWK, IOWA
STATISTICAL SECTION
CONTENTS

The statistical section of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the County's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	84
Revenue Capacity These schedules contain trend information to help the reader asses the County's most significant local revenue sources, the property tax (or sales tax).	96
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	104
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	109
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	111

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Black Hawk County, Iowa

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2008	2009	2010	2011
Governmental Activities				
Net Investment in Capital Assets	$ 46,981,577	$ 49,946,957	$ 55,621,608	$ 52,154,674
Restricted	6,350,678	10,351,227	6,790,101	13,742,221
Unrestricted	10,807,901	12,996,278	12,239,242	14,958,730
Total Governmental Activities Net Position	$ 64,140,156	$ 73,294,462	$ 74,650,951	$ 80,855,625
Business-Type Activities				
Net Investment in Capital Assets	$ 1,461,863	$ 2,277,715	$ 2,251,494	$ 5,369,297
Restricted	873,765	-	-	-
Unrestricted	324,739	325,564	283,836	1,181,802
Total Business-Type Activities Net Position	$ 2,660,367	$ 2,603,279	$ 2,535,330	$ 6,551,099
Primary Government				
Net Investment in Capital Assets	$ 48,443,440	$ 52,224,672	$ 57,873,102	$ 57,523,971
Restricted	7,224,443	10,351,227	6,790,101	13,742,221
Unrestricted	11,132,640	13,321,842	12,523,078	16,140,532
Total Primary Government Net Position	$ 66,800,523	$ 75,897,741	$ 77,186,281	$ 87,406,724

Source: County records

	Fiscal Year					
	2012	2013	2014	2015	2016	2017
	$ 55,310,782	$ 55,929,989	$ 62,893,726	$ 67,721,832	$ 69,854,029	$ 80,589,750
	12,135,498	16,372,523	14,805,215	16,748,169	19,142,804	17,385,533
	16,229,395	16,140,723	14,160,493	(352,603)	616,375	(3,687,512)
	$ 83,675,675	$ 88,443,235	$ 91,859,434	$ 84,117,398	$ 89,613,208	$ 94,287,771
	$ 4,600,839	$ 4,370,375	$ 4,110,091	$ 3,852,604	$ 3,655,169	$ 3,411,666
	-	-	-	-	-	-
	2,681,600	2,626,223	2,597,127	(1,394,297)	(1,919,806)	(2,304,158)
	$ 7,282,439	$ 6,996,598	$ 6,707,218	$ 2,458,307	$ 1,735,363	$ 1,107,508
	$ 59,911,621	$ 60,300,364	$ 67,003,817	$ 71,574,436	$ 73,509,198	$ 84,001,416
	12,135,498	16,372,523	14,805,215	16,748,169	19,142,804	17,385,533
	18,910,995	18,766,946	16,757,620	(1,746,900)	(1,303,431)	(5,991,670)
	$ 90,958,114	$ 95,439,833	$ 98,566,652	$ 86,575,705	$ 91,348,571	$ 95,395,279

Black Hawk County, Iowa

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2008	2009	2010	2011
Expenses:				
Governmental activities:				
Public safety and legal services	$ 15,213,200	$ 15,871,852	$ 16,737,313	$ 17,708,648
Physical health and social services	10,942,877	12,192,983	11,695,480	8,344,752
Mental health	21,301,854	19,914,329	20,535,742	2,874,676
County environment and education	2,404,401	5,871,685	4,460,783	4,554,435
Roads and transportation	6,738,742	7,305,032	6,983,934	7,761,476
Governmental services to residents	1,836,987	2,515,000	2,131,600	1,563,909
Administration	5,274,253	5,463,590	5,767,744	5,253,070
Capital Projects	-	-	-	-
Interest on long-term debt	453,455	1,020,416	1,226,964	1,371,330
Total governmental activities expenses	64,165,769	70,154,887	69,539,560	49,432,296
Business-type activities:				
Rural sewer	324,573	276,608	248,272	253,880
Rural water	82,386	81,838	78,045	90,506
Country View Care Facility**	-	-	-	11,096,457
Total business-type activities expenses	406,959	358,446	326,317	11,440,843
Total government expenses	$ 64,572,728	$ 70,513,333	$ 69,865,877	$ 60,873,139
Program revenues:				
Governmental activities:				
Charges for services:				
Public safety and legal services	$ 901,593	$ 933,657	$ 1,037,347	$ 2,237,579
Physical health and social services	1,401,837	1,418,603	1,479,510	1,018,620
Mental health	1,686,870	1,818,427	1,760,556	58,210
County environment and education	525,109	500,511	491,836	557,394
Roads and transportation	6,167	5,922	5,989	13,389
Governmental services to residents	1,672,055	1,636,723	1,712,826	1,769,692
Administration	865,750	750,314	936,159	691,587
Operating grants and contributions	26,083,543	32,506,243	25,737,204	11,149,510
Capital grants and contributions	2,444,339	3,616,441	1,481,509	4,672,902
Total governmental activities program revenues	35,587,263	43,186,841	34,642,936	22,168,883
Business-type activities:				
Charges for services:				
Rural sewer	165,970	200,579	198,287	188,650
Rural water	63,024	64,513	59,659	62,483
Country View Care Facility*	-	-	-	13,271,064
Operating grants and contributions	2,761	-	-	-
Total business-type activities program revenues	231,755	265,092	257,946	13,522,197
Total government program revenues	$ 35,819,018	$ 43,451,933	$ 34,900,882	$ 35,691,080

(Continued)

	Fiscal Year					
	2012	2013	2014	2015	2016	2017
$	17,614,051	$ 18,156,232	$ 18,764,343	$ 18,972,897	$ 19,671,543	$ 20,286,504
	7,711,949	7,871,355	7,290,096	7,155,953	7,561,741	7,394,317
	9,248,329	5,567,395	6,531,543	6,589,757	5,458,589	6,301,030
	3,619,566	4,619,524	4,879,483	3,900,609	5,239,969	3,439,733
	8,057,683	8,997,547	8,576,219	8,887,988	8,602,592	9,969,108
	1,626,233	1,765,826	1,804,827	1,825,609	2,498,638	2,090,806
	5,159,646	5,837,435	6,837,855	6,121,608	9,214,497	9,095,322
	-	172,640	-	-	-	-
	1,518,393	1,402,736	1,378,717	1,187,015	1,347,077	1,257,938
	54,555,850	54,390,690	56,063,083	54,641,436	59,594,646	59,834,758
	238,802	225,898	257,343	219,733	240,587	221,064
	82,222	67,468	90,057	69,008	70,791	72,667
	11,606,877	12,308,641	12,746,339	12,810,208	13,721,249	13,930,036
	11,927,901	12,602,007	13,093,739	13,098,949	14,032,627	14,223,767
$	66,483,751	$ 66,992,697	$ 69,156,822	$ 67,740,385	$ 73,627,273	$ 74,058,525
$	2,337,436	$ 2,347,199	$ 2,244,895	$ 2,151,777	$ 2,255,939	$ 1,943,473
	998,478	1,126,233	886,355	923,771	890,850	743,223
	48,814	37,029	40,344	50,974	84,740	86,127
	633,515	674,546	778,727	814,498	675,388	627,109
	24,913	43,123	50,574	27,710	58,100	69,089
	1,881,925	2,046,771	1,995,821	2,110,299	2,077,402	2,065,642
	964,040	624,934	547,738	509,238	500,672	446,199
	10,539,342	10,324,098	10,463,557	10,996,943	11,930,540	12,397,556
	3,548,186	5,065,574	4,026,136	6,246,023	4,435,594	4,466,030
	20,976,649	22,289,507	21,034,147	23,831,233	22,909,225	22,844,448
	206,923	187,687	192,757	179,392	176,538	193,999
	56,928	62,142	34,313	20,036	19,739	14,039
	12,303,826	11,940,324	12,517,547	13,349,854	13,087,647	12,819,455
	-	46,168	-	-	-	-
	12,567,677	12,236,321	12,744,617	13,549,282	13,283,924	13,027,493
$	33,544,326	$ 34,525,828	$ 33,778,764	$ 37,380,515	$ 36,193,149	$ 35,871,941

Black Hawk County, Iowa

Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2008	2009	2010	2011
Net (expense)/revenue:				
Governmental activities	$ (28,578,506)	$ (26,968,046)	$ (34,896,624)	$ (27,263,413)
Business-type activities	(175,204)	(93,354)	(68,371)	2,081,354
Total government net expense	$ (28,753,710)	$ (27,061,400)	$ (34,964,995)	$ (25,182,059)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	$ 25,967,840	$ 27,593,677	$ 28,083,985	$ 29,656,058
Other taxes	4,139,438	4,358,516	4,352,102	3,587,407
State tax replacement credits	1,102,343	1,082,828	1,122,280	875,035
Investment earnings	1,372,116	1,198,968	914,311	605,731
Gain on disposal of capital assets	-	-	-	12,481
Miscellaneous	3,271,327	1,888,363	1,780,435	586,432
Total governmental activities	35,853,064	36,122,352	36,253,113	35,323,144
Business-type activities:				
Unrestricted grants and contributions	-	-	-	20,748
Investment earnings	35,044	36,266	422	2,170
Gain on disposal of capital assets	-	-	-	-
Miscellaneous	-	-	-	56,440
Total business-type activities	35,044	36,266	422	79,358
Total government	$ 35,888,108	$ 36,158,618	$ 36,253,535	$ 35,402,502
Change in net position:				
Governmental activities	$ 7,274,558	$ 9,154,306	$ 1,356,489	$ 8,059,731
Business-type activities	(140,160)	(57,088)	(67,949)	2,160,712
Total primary government	$ 7,134,398	$ 9,097,218	$ 1,288,540	$ 10,220,443

* Country View Care Facility placed into an enterprise fund in FY2011

Source: County records

	Fiscal Year					
	2012	2013	2014	2015	2016	2017
$	(33,579,201)	$ (32,101,183)	$ (35,028,936)	$ (30,810,203)	$ (36,685,421)	$ (36,990,310)
	639,776	(365,686)	(349,122)	450,333	(748,703)	(1,196,274)
$	(32,939,425)	$ (32,466,869)	$ (35,378,058)	$ (30,359,870)	$ (37,434,124)	$ (38,186,584)
$	30,719,060	$ 31,446,791	$ 32,418,805	$ 31,305,061	$ 34,655,427	$ 34,424,918
	3,785,891	3,628,660	3,766,622	3,709,500	3,293,311	3,359,983
	864,425	996,825	1,170,706	1,928,536	2,977,010	2,969,905
	341,262	390,127	405,838	439,088	444,988	567,076
	40,207	105,782	-	18,554	-	-
	658,450	564,567	683,165	668,149	810,495	885,198
	36,409,295	37,132,752	38,445,136	38,068,888	42,181,231	42,207,080
	-	-	-	-	-	-
	1,765	1,615	1,642	1,808	2,776	6,486
	-	-	-	675	-	-
	79,755	78,230	58,100	27,874	22,983	19,726
	81,520	79,845	59,742	30,357	25,759	26,212
$	36,490,815	$ 37,212,597	$ 38,504,878	$ 38,099,245	$ 42,206,990	$ 42,233,292
$	2,830,094	$ 5,031,569	$ 3,416,200	$ 7,258,685	$ 5,495,810	$ 5,216,770
	721,296	(285,841)	(289,380)	480,690	(722,944)	(1,170,062)
$	3,551,390	$ 4,745,728	$ 3,126,820	$ 7,739,375	$ 4,772,866	$ 4,046,708

Black Hawk County, Iowa

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2008	2009	2010	2011
General Fund:				
Reserved	$ 3,014,288	$ 3,849,541	$ 3,230,289	$ -
Unreserved	7,993,680	7,023,597	7,009,230	-
Nonspendable[1]	-	-	-	-
Restricted[1]	-	-	-	3,973,689
Committed[1]	-	-	-	905,202
Assigned[1]	-	-	-	-
Unassigned[1]	-	-	-	6,889,135
Total General Fund	$ 11,007,968	$ 10,873,138	$ 10,239,519	$ 11,768,026
All other governmental funds:				
Reserved	$ 14,316,183	$ 8,042,035	$ 10,061,865	$ -
Unreserved for:				
Special Revenue Fund	4,253,897	6,526,298	3,807,069	-
Capital Projects Fund	12,789	(297,364)	(432,789)	-
Nonspendable[1]	-	-	-	350,881
Restricted[1]	-	-	-	27,151,125
Committed[1]	-	-	-	-
Assigned[1]	-	-	-	26,076
Unassigned[1]	-	-	-	-
Total All Other Government Funds	$ 18,582,869	$ 14,270,969	$ 13,436,145	$ 27,528,082
Total Government Funds				
Reserved	$ 17,330,471	$ 11,891,576	$ 13,292,154	$ -
Unreserved for:				
General Fund	7,993,680	7,023,597	7,009,230	-
Special Revenue Fund	4,253,897	6,526,298	3,807,069	-
Capital Projects Fund	12,789	(297,364)	(432,789)	-
Nonspendable[1]	-	-	-	350,881
Restricted[1]	-	-	-	31,124,814
Committed[1]	-	-	-	905,202
Assigned[1]	-	-	-	26,076
Unassigned[1]	-	-	-	6,889,135
Total Government Funds	$ 29,590,837	$ 25,144,107	$ 23,675,664	$ 39,296,108

(1) The County implemented GASB 54 in FY2011, which changed fund balance classifications for periods beginning after June 15, 2010.

Source: County records

Fiscal Year						
2012	2013	2014	2015	2016	2017	
$ -	$ -	$ -	$ -	$ -	$ -	
-	-	-	-	-	-	
-	-	-	-	19,785	19,785	
4,338,973	4,595,183	4,826,969	5,118,373	4,405,092	2,888,524	
424,083	376,858	275,309	257,390	237,497	-	
-	-	-	-	-	-	
8,666,837	9,967,825	10,644,194	11,126,606	12,319,469	15,201,749	
$ 13,429,893	$ 14,939,866	$ 15,746,472	$ 16,502,369	$ 16,981,843	$ 18,110,058	
$ -	$ -	$ -	$ -	$ -	$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
363,567	366,428	395,252	431,818	464,388	463,108	
14,199,768	11,499,447	15,562,239	15,513,592	22,968,124	20,197,998	
-	-	-	-	-	-	
27,126	15,645	24,284	32,234	27,197	33,744	
-	(167)	(254)	-	-	-	
$ 14,590,461	$ 11,881,353	$ 15,981,521	$ 15,977,644	$ 23,459,709	$ 20,694,850	
$ -	$ -	$ -	$ -	$ -	$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
363,567	366,428	395,252	431,818	484,173	482,893	
18,538,741	16,094,630	20,389,208	20,631,965	27,373,216	23,086,522	
424,083	376,858	275,309	257,390	237,497	-	
27,126	15,645	24,284	32,234	27,197	33,744	
8,666,837	9,967,658	10,643,940	11,126,606	12,319,469	15,201,749	
$ 28,020,354	$ 26,821,219	$ 31,727,993	$ 32,480,013	$ 40,441,552	$ 38,804,908	

Black Hawk County, Iowa

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2008	2009	2010	2011
Revenues:				
Property and other county tax	$ 30,128,426	$ 31,932,977	$ 32,268,714	$ 32,978,105
Interest and penalty on property tax	501,651	404,936	410,634	390,102
Intergovernmental	27,337,150	33,107,903	26,983,363	15,642,743
Licenses and permits	503,428	494,664	485,311	495,724
Charges for service	5,966,101	6,133,983	6,444,766	4,384,639
Use of money and property	1,347,329	1,175,036	1,492,422	1,081,883
Miscellaneous	1,526,478	1,628,863	1,822,656	1,945,529
Total revenues	67,310,563	74,878,362	69,907,866	56,918,725
Expenditures:				
Public safety and legal services	15,147,782	16,202,010	17,080,739	17,456,467
Physical health and social services	11,133,191	12,443,549	11,901,238	8,209,118
Mental health	21,699,357	20,469,347	21,254,887	2,872,865
County environment and education	2,366,295	6,210,048	4,971,752	5,911,886
Roads and transportation	5,199,582	5,740,813	5,099,989	5,559,563
Governmental services to residents	1,519,451	1,846,197	1,729,895	1,501,987
Administration	5,134,223	5,295,627	5,506,549	5,541,663
Debt service:				
Interest	415,697	1,009,945	1,192,563	1,275,881
Principal	2,322,725	3,300,126	3,965,776	3,046,508
Debt issuance costs	69,904	76,995	43,145	100,714
Capital projects	2,015,652	11,560,272	6,931,728	8,726,249
Total expenditures	67,023,859	84,154,929	79,678,261	60,202,901
Excess of revenues over (under) expenditures	286,704	(9,276,567)	(9,770,395)	(3,284,176)
Other financing sources (uses):				
Proceeds from the sale of land and capital assets	1,506,229	1,023	55,649	-
Transfers in	1,860,555	1,991,922	2,083,911	2,129,046
Transfers out	(1,860,555)	(1,991,922)	(2,083,911)	(2,222,768)
General obligation bonds and notes issued	13,260,000	3,863,600	8,290,000	18,905,000
Redemption of refunded bonds	-	-	-	-
Issuance of refunding debt	-	-	-	-
Discount on general obligation bonds and notes	(74,315)	(30,400)	(66,320)	(88,301)
Premiums on Bonds Issued	-	-	-	181,643
Payment to escrow for refunding debt	-	-	-	-
Insurance proceeds	338,485	283,305	22,623	-
Payments received on capital lease receivable	-	712,309	-	-
Total other financing sources (uses)	15,030,399	4,829,837	8,301,952	18,904,620
Net change in fund balances	$ 15,317,103	$ (4,446,730)	$ (1,468,443)	$ 15,620,444
Debt service as % of noncapital expenditures	4.23%	5.93%	7.15%	8.59%

Source: County records

Fiscal Year						
2012	2013	2014	2015	2016	2017
$ 34,201,174	$ 34,721,423	$ 35,752,215	$ 34,608,377	$ 37,829,146	$ 37,389,275
394,076	388,657	386,573	363,452	333,601	363,321
13,112,737	15,879,589	13,754,762	14,090,273	17,132,830	16,682,162
491,139	501,326	507,388	545,320	531,380	523,884
4,588,753	4,993,451	4,697,632	4,863,730	4,951,487	4,766,486
730,816	751,108	774,037	834,310	831,658	591,125
2,120,679	1,981,607	2,148,351	2,195,924	2,051,123	2,786,140
55,639,374	59,217,161	58,020,958	57,501,386	63,661,225	63,102,393
17,484,855	17,607,744	18,666,501	19,031,164	19,530,828	20,431,814
7,654,874	7,869,190	7,286,923	7,276,643	7,398,630	7,431,336
9,246,928	5,562,162	6,531,467	6,588,351	5,457,073	6,290,031
4,133,703	7,403,138	4,731,197	3,962,309	5,554,645	5,124,757
6,297,386	5,861,318	5,473,766	5,480,704	6,112,956	6,325,744
1,562,243	1,705,478	1,764,464	1,778,144	2,594,949	2,074,400
5,092,556	4,845,504	5,132,570	5,262,939	5,855,180	5,323,208
1,472,757	1,371,981	1,296,937	1,324,020	1,594,354	1,285,173
4,112,334	4,698,264	4,389,312	5,432,005	9,421,234	11,875,000
51,568	32,273	56,238	-	-	77,547
12,100,276	5,577,646	3,873,576	646,297	5,761,752	4,419,551
69,209,480	62,534,698	59,202,951	56,782,576	69,281,601	70,658,561
(13,570,106)	(3,317,537)	(1,181,993)	718,810	(5,620,376)	(7,556,168)
30,240	37,883	19,704	33,210	5,125	48,458
2,517,777	3,306,530	9,656,136	3,377,226	3,308,359	4,060,074
(2,517,777)	(3,306,530)	(9,656,136)	(3,377,226)	(3,308,359)	(4,060,074)
3,080,000	2,000,000	5,935,000	-	12,185,000	1,720,000
(820,000)	-	-	-	-	-
-	-	-	-	9,165,000	4,030,000
(6,468)	-	-	-	-	-
-	80,548	134,063	-	1,186,790	121,066
-	-	-	-	(8,960,000)	-
10,551	-	-	-	-	-
-	-	-	-	-	-
2,294,323	2,118,431	6,088,767	33,210	13,581,915	5,919,524
$ (11,275,783)	$ (1,199,106)	$ 4,906,774	$ 752,020	$ 7,961,539	$ (1,636,644)
9.87%	10.71%	10.38%	12.04%	17.34%	20.68%

Black Hawk County, Iowa

Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Function / Program	2008	2009	2010	2011
Governmental activities:				
Public safety and legal services	$ 2,817,366	$ 3,025,628	$ 2,935,329	$ 4,596,276
Physical health and social services	6,578,669	8,489,683	7,356,412	4,360,327
Mental health	16,389,743	17,201,625	12,586,504	561,339
County environment and education	861,542	3,655,514	2,555,491	4,592,852
Roads and transportation	5,778,396	7,326,096	4,529,550	4,476,977
Governmental services to residents	1,771,488	1,724,611	2,107,594	1,793,214
Administration	1,390,059	1,763,684	2,572,056	1,787,898
Nonprogram	-	-	-	-
Interest on long-term debt	-	-	-	-
Total governmental activities	35,587,263	43,186,841	34,642,936	22,168,883
Business-type activities:				
Rural sewer	168,731	200,579	198,287	188,650
Rural water	63,024	64,513	59,659	62,483
Country View Care Facility*	-	-	-	13,271,064
Total business-type activities	231,755	265,092	257,946	13,522,197
Total government	$ 35,819,018	$ 43,451,933	$ 34,900,882	$ 35,691,080

* Country View Care Facility placed into an enterprise fund in FY2011

Source: County records

	Fiscal Year					
	2012	2013	2014	2015	2016	2017
$	4,543,611	$ 4,644,341	$ 5,341,884	$ 4,693,681	$ 4,886,215	$ 4,498,057
	4,193,830	4,235,862	3,912,685	4,041,546	3,835,105	3,969,165
	506,910	539,902	564,657	656,329	785,626	890,394
	2,536,371	5,794,947	3,091,890	2,686,116	3,772,372	3,081,236
	5,522,567	3,847,359	4,912,605	8,618,646	6,477,885	7,184,891
	1,967,223	2,046,771	2,112,511	2,173,452	2,238,719	2,082,073
	1,706,137	1,180,325	1,097,915	961,463	913,303	1,138,632
	-	-	-	-	-	-
	-	-	-	-	-	-
	20,976,649	22,289,507	21,034,147	23,831,233	22,909,225	22,844,448
	206,923	187,687	192,757	179,392	176,538	193,999
	56,928	62,142	34,313	20,036	19,739	14,039
	12,303,826	11,986,492	12,517,547	13,349,854	13,087,647	12,819,455
	12,567,677	12,236,321	12,744,617	13,549,282	13,283,924	13,027,493
$	33,544,326	$ 34,525,828	$ 33,778,764	$ 37,380,515	$ 36,193,149	$ 35,871,941

Black Hawk County, Iowa

Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Fiscal Year	Property	Local Option Sales Tax	Utility Replacement Excise Tax	Other Tax	Total
2008	$ 25,954,609	$ 2,787,561	$ 869,608	$ 516,648	$ 30,128,426
2009	27,574,461	2,896,574	964,312	497,630	31,932,977
2010	28,046,535	2,773,380	950,249	498,550	32,268,714
2011	28,571,374	2,924,158	915,122	507,099	32,917,753
2012	29,723,661	2,972,672	976,129	526,780	34,199,242
2013	30,442,122	2,807,922	923,183	546,366	34,719,593
2014	31,368,092	2,952,640	883,736	545,594	35,750,062
2015	30,240,768	2,898,616	897,572	571,437	34,608,393
2016	33,433,861	2,841,546	968,176	585,563	37,829,146
2017	32,770,534	2,922,144	1,162,322	534,275	37,389,275
Change 2008-2017	26.26%	4.83%	33.66%	3.41%	24.10%

Source: County records

Black Hawk County, Iowa

Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Multi-Residential Property	TIF Property	Other Property	Less: Military Tax-Exempt Property	Total Taxable Assessed Property	Total Direct Tax Rate Urban
2008	$ 2,123,552	$ 1,061,673	$ 122,062	$ 249,456	$ -	$ 284,869	$ 182,634	$ 14,279	$ 4,009,967	7.41
2009	2,263,853	1,180,234	117,722	259,931	-	347,247	198,667	15,283	4,352,371	6.94
2010	2,405,460	1,193,974	119,012	273,699	-	383,558	206,079	14,975	4,566,807	6.71
2011	2,502,546	1,186,978	120,459	274,346	-	416,892	208,213	13,403	4,696,031	6.67
2012	2,642,989	1,200,554	118,995	286,322	-	419,779	215,751	13,031	4,871,360	6.60
2013	2,890,123	1,285,937	147,273	292,825	-	458,530	213,032	12,650	5,275,071	6.24
2014	3,055,033	1,411,401	177,235	305,307	-	283,298	213,603	12,275	5,433,600	6.02
2015	3,105,727	1,179,992	142,105	316,653	-	496,973	212,762	11,975	5,442,239	6.12
2016	3,242,596	1,071,590	130,132	326,387	-	518,488	208,118	11,519	5,485,792	6.75
2017*	3,349,838	954,428	130,346	328,936	116,975	561,964	231,115	11,045	5,662,557	6.45

Source: Black Hawk County Information Technology Department and Black Hawk County Assessor

Note: Property is assessed at actual value; therefore, the assessed values are equal to the actual value.

Tax rates are per $1,000 of assessed value.

Black Hawk County, Iowa

Principal Property Tax Payers
Current Year and Nine Years Ago
(dollars in thousands)
(Unaudited)

	2008			2017		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
MidAmerican Energy	$ 146,663	1	3.66 %	$ -	-	- %
Qwest Corporation	29,875	5	0.75	20,651	7	0.40
College Square Mall Partners, LLC	33,664	3	0.84	18,652	9	0.37
Deere and Company	27,454	6	0.68	57,644	2	1.13
Tyson Fresh Meats (IBP Inc.)	19,952	8	0.50	-	-	-
Target Corporation	39,568	2	0.99	77,509	1	1.52
Bertch Cabinet Mfg, Inc.	13,609	9	0.34	-	-	-
Hunt Wesson, Inc.	5,232	10	0.13	-	-	-
Ferguson Enterprises, Inc.	22,690	7	0.57	18,637	10	0.37
Menard Inc.	-	-	-	23,202	6	0.45
Con Agra	-	-	-	19,951	8	0.39
IOC Black Hawk County, Inc.	-	-	-	48,938	3	0.96
Waterloo Owner, LLC (Crossroads)	30,997	4	0.77	31,364	4	0.61
Northern Natural Gas Co	-	-	-	23,266	5	0.46
Total	$ 369,704		9.22 %	$ 339,814		6.66 %

Source: Black Hawk County Information Technology Department and Black Hawk County Assessor

Black Hawk County, Iowa

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Property Taxes Levied for the Fiscal Year	Property Taxes Collected Within the Fiscal Year of the Levy		Property Tax Collections In Subsequent Years	Property Tax Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	$ 146,299,165	$ 145,909,251	99.73	$ 137,703	$ 146,046,954	99.83
2009	159,054,529	158,537,222	99.67	130,965	158,668,187	99.76
2010	164,871,504	164,582,136	99.82	81,946	164,664,082	99.87
2011	171,020,072	170,018,109	99.41	127,194	170,145,303	99.49
2012	175,786,426	175,378,631	99.77	94,705	175,473,336	99.82
2013	184,252,986	182,952,820	99.29	38,278	182,991,098	99.32
2014	183,858,465	183,110,439	99.59	(422,117)	182,688,322	99.36
2015	183,444,159	182,293,781	99.37	(835,628)	181,458,153	98.92
2016	183,734,509	182,952,100	99.57	(566,697)	182,385,403	99.27
2017	185,733,703	185,051,474	99.63	19,977	185,071,451	99.64

Total tax collection solely for Black Hawk County, Iowa:

2008	$ 25,954,609
2009	27,547,914
2010	28,035,371
2011	28,578,595
2012	29,718,148
2013	30,430,730
2014	31,421,650
2015	30,339,720
2016	33,541,638
2017	32,757,318

Source: Black Hawk County, Treasurer's Office

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed value)
(Unaudited)

	2008	2009	2010	2011
County Direct Rates:				
General Basic	3.50	3.50	3.50	3.50
General Supplemental	1.77	1.42	1.26	1.39
MH/DD Service	1.55	1.44	1.37	1.34
Debt Service	0.58	0.58	0.58	0.44
Total Urban County Rate	7.41	6.94	6.71	6.67
Rural Basic	0.25	2.79	2.86	2.88
Total Rural County Rate	7.66	9.72	9.57	9.55
City and Town Rates:				
Waterloo	18.77	18.37	18.31	18.26
Cedar Falls	13.61	13.26	13.02	12.99
Dunkerton	8.45	8.10	8.10	8.43
Elk Run Heights	6.00	6.00	6.00	6.01
Evansdale	6.75	6.74	6.75	6.88
Gilbertville	12.46	11.54	11.25	12.27
Hudson	9.73	9.73	9.73	9.73
Janesville	12.50	12.40	12.26	12.08
Jesup	12.62	12.55	13.00	13.95
LaPorte City	14.91	14.91	14.55	14.54
Raymond	6.90	6.90	6.90	6.90
Township Rates:				
Barclay	0.46	0.44	0.36	0.34
Bennington	0.56	0.56	0.55	0.55
Big Creek	0.61	0.58	0.55	0.57
Black Hawk	0.54	0.53	0.57	0.57
Cedar	0.53	0.57	0.56	0.58
Cedar Falls	0.58	0.58	0.56	0.56
Eagle	0.55	0.54	0.52	0.47
East Waterloo	0.17	0.16	0.16	0.16
Fox	0.39	0.26	0.21	0.26
Lester	0.70	0.69	0.65	0.69
Lincoln	0.59	0.59	0.62	0.61
Mt. Vernon	0.41	0.41	0.41	0.41
Orange	0.28	0.38	0.34	0.35
Poyner	0.67	0.66	0.76	0.66
Spring Creek	0.76	0.74	0.74	0.69
Union	0.63	0.68	0.61	0.68
Washington	0.35	0.33	0.32	0.36

(Continued)

Fiscal Year					
2012	2013	2014	2015	2016	2017
3.50	3.50	3.50	3.50	3.50	3.50
1.14	0.90	0.77	0.86	0.94	1.08
1.29	1.20	1.12	1.17	1.00	0.91
0.67	0.64	0.63	0.59	1.31	0.96
6.60	6.24	6.02	6.12	6.75	6.45
3.00	3.15	3.26	3.10	2.90	3.09
9.59	9.39	9.28	9.22	9.65	9.54
18.53	18.21	17.49	17.95	17.76	17.61
12.86	12.20	12.02	11.81	11.53	11.22
8.58	8.50	8.46	8.43	8.18	8.15
6.01	6.01	6.01	6.01	7.00	7.00
6.88	6.88	6.31	6.99	6.99	7.42
11.09	10.58	10.57	10.63	10.97	11.35
9.73	9.73	9.73	11.03	11.49	11.51
11.68	11.60	11.41	11.07	10.76	10.07
14.78	14.77	14.72	14.99	14.87	14.83
14.51	14.51	15.52	14.82	14.84	15.00
6.92	6.92	6.92	6.96	6.96	6.99
0.33	0.54	0.52	0.50	0.48	0.46
0.56	0.55	0.55	0.55	0.55	0.55
0.50	0.45	0.44	0.42	0.35	0.40
0.49	0.51	0.51	0.57	0.64	0.63
0.56	0.53	0.56	0.57	0.57	0.59
0.57	0.55	0.48	0.58	0.60	0.62
0.63	0.49	0.65	0.48	0.47	0.47
0.14	0.12	0.11	0.11	0.10	0.10
0.31	0.39	0.44	0.44	0.46	0.46
0.67	0.64	0.66	0.64	0.58	0.55
0.70	0.63	0.63	0.54	0.54	0.56
0.42	0.04	0.39	0.39	0.39	0.39
0.36	0.40	0.40	0.40	0.38	0.38
0.63	0.64	0.61	0.71	0.77	0.67
0.77	0.72	0.68	0.62	0.64	0.77
0.74	0.62	0.66	0.65	0.64	0.69
0.39	0.35	0.33	0.33	0.32	0.32

Black Hawk County, Iowa

Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years
(rate per $1,000 of assessed value)
(Unaudited)

	2008	2009	2010	2011
School District Rates:				
Waterloo	16.75	16.66	16.46	16.44
Cedar Falls	13.13	13.73	13.73	14.15
Dunkerton	14.02	14.10	13.86	15.94
Elk Run Heights	16.75	16.66	16.46	16.44
Evansdale	16.75	16.66	16.46	16.44
Gilbertville	16.75	16.66	16.46	16.44
Hudson	15.96	15.98	15.88	16.90
Janesville	11.83	11.82	12.22	11.84
Jesup	11.62	11.76	11.78	11.92
LaPorte City	12.50	12.68	12.57	12.71
Raymond	16.75	16.66	16.46	16.44
Other:				
State	-	-	-	0.00
Hawkeye CC - Area VII	0.83	1.00	0.93	1.00
Kirkwood - Area X	0.86	0.85	0.84	0.93
Ag. Extension	0.08	0.08	0.08	0.08
Special Appraiser*	0.03	0.06	0.08	0.09
Assessor	0.24	0.22	0.24	0.22

Source: Black Hawk County, Auditor's Office

* Special Appraiser and Assessor rates combined in FY13

Fiscal Year					
2012	2013	2014	2015	2016	2017
16.28	15.80	15.73	15.98	15.62	15.40
13.79	13.38	12.83	12.78	12.44	12.77
16.00	15.99	15.20	15.56	15.47	14.73
16.28	15.80	15.73	15.98	15.62	15.40
16.28	15.80	15.73	15.98	15.62	15.40
16.28	15.80	15.73	15.98	15.62	15.40
16.89	16.49	15.79	14.94	14.44	14.01
12.33	13.03	12.54	12.06	11.99	11.91
12.94	12.94	12.92	12.93	13.93	13.74
12.70	12.07	12.14	12.05	12.31	12.26
16.28	15.80	15.73	15.98	15.62	15.40
0.00	0.00	0.00	0.00	0.00	0.00
0.96	0.96	0.95	0.95	0.95	0.95
1.00	1.08	1.06	1.06	1.06	1.08
0.09	0.09	0.09	0.10	0.10	0.09
0.02	-	-	-	-	-
0.21	0.28	0.32	0.31	0.30	0.29

Black Hawk County, Iowa

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)
(Unaudited)

	Governmental Activities			Business-Type Activities				
Fiscal Year	General Obligation Bonds	General Obligation Capital Loan Notes	Capital Lease Purchase Agreement	General Obligation Bonds	General Obligation Capital Loan Notes	Total Government	Percentage of Personal Income*	Per Capita*
2008	$ 21,260	$ 1,065	$ -	$ 1,290	$ 860	$ 24,475	0.58	192.04
2009	21,936	790	58	1,125	-	24,018	0.53	187.58
2010	26,507	505	53	956	-	28,021	0.61	216.75
2011	42,579	420	46	786	-	43,831	0.92	334.36
2012	39,521	1,650	39	607	-	41,817	0.85	317.88
2013	37,171	1,240	31	528	-	38,970	0.76	295.63
2014	39,300	935	21	448	-	40,704	0.77	307.09
2015	34,114	630	-	364	-	35,108	0.65	264.17
2016	38,322	320	-	279	-	38,921	0.69	291.64
2017	32,291	-	-	189	-	32,480	0.57	244.39

* Calculation made using population and personal income figures from Demographics and Economic Statistics Table.

Source: County records

Black Hawk County, Iowa

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds & Notes	Percentage Actual Taxable Value of Property	Per Capita*
2008	$ 24,475	0.61	192.04
2009	23,851	0.55	186.28
2010	27,968	0.61	216.34
2011	43,785	0.93	334.01
2012	41,778	0.86	317.59
2013	38,939	0.74	295.40
2014	40,683	0.75	306.93
2015	35,108	0.65	264.17
2016	38,921	0.71	291.64
2017	32,480	0.57	244.39

* Calculated using population figure from Demographics and Economic Statistics Table.

Source: County records

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Black Hawk County, Iowa

Direct and Overlapping Governmental Activities Debt
As of June 30, 2017
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
County Direct Debt	$ 32,291,253	100.00%	$ 32,291,253
City Debt:			
Cedar Falls	5,045,000	100.00	5,045,000
Dunkerton	1,733,000	100.00	1,733,000
Elk Run Heights	-	100.00	-
Evansdale	4,221,855	100.00	4,221,855
Gilbertville	1,755,000	100.00	1,755,000
Hudson	6,476,276	100.00	6,476,276
Janesville	-	17.75	-
Jesup	4,600	8.13	374
LaPorte City	3,105,000	100.00	3,105,000
Raymond	570,000	100.00	570,000
Waterloo	85,476,143	100.00	85,476,143
Subtotal, City Debt			108,382,648
School District Debt:			
Cedar Falls	32,000,000	100.00	32,000,000
Denver	7,590,000	21.28	1,615,152
Dike-New Hartford	2,641,000	5.18	136,804
Dunkerton	1,455,000	99.35	1,445,543
Gladbrook-Reinbeck	-	8.09	-
Hudson	-	100.00	-
Janesville	7,590,000	47.56	3,609,804
Jesup	1,885,000	29.70	559,845
Union (LaPorte City/Dysart)	-	42.13	-
Vinton-Shellsburg	7,850,000	0.04	3,140
Wapsie Valley	7,785,000	5.28	411,048
Waterloo	6,955,024	100.00	6,955,024
Waverly-Shellrock	12,613,000	0.12	15,136
Subtotal, School District Debt			46,751,495
College, Hawkeye Community College	1,370,000	58.52	801,724
Total Overlapping Debt			155,935,867
Total Direct and Overlapping Debt			$ 188,227,120

Source: Cities and School Districts within Black Hawk County

* The overlapping debt percentage is arrived at by first calculating the amount of valuation that exists for each city or school district that is partially or wholly within the County. This is determined by the County Assessor's Office. That valuation figure is then divided by the total for the entire city or school district to determine the percentage that lies within the County. That percentage is then used proportionately to determine the amount of overlapping debt.

Black Hawk County, Iowa

Legal Debt Margin Information
As of June 30, 2017
(dollars in thousands)
(Unaudited)

	2008	2009	2010	2011
Debt Limit	$ 200,498	$ 217,618	$ 228,340	$ 234,802
Total Net Debt Applicable to Limit	24,475	24,018	28,173	43,815
Legal Debt Margin	$ 176,023	$ 193,600	$ 200,167	$ 190,987
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.90%	12.41%	14.07%	22.94%

Source: County records

Legal Debt Margin Calculation for Fiscal Year 2017		
Assessed Value	$	9,132,363
Debt Limit (5% of Assessed Value)		456,618
Debt Applicable to Limit:		
General Obligation Bonds		31,535
General Obligation Capital Loan Notes		-
Amount Available for Repayment of Debt		(5,269)
Total Net Applicable to Limit		26,266
Legal Debt Margin	$	430,352

2012	2013	2014	2015	2016	2017
$ 243,568	$ 263,754	$ 271,680	$ 272,112	$ 274,290	$ 456,618
41,790	39,020	40,495	34,985	31,660	26,266
$ 201,778	$ 224,734	$ 231,185	$ 237,127	$ 242,630	$ 430,352
20.71%	17.36%	17.52%	14.75%	13.05%	6.10%

Black Hawk County, Iowa

Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Year	Population [5]	Personal Income (000s) [1]	Per Capita Personal Income [1]	Farm Proprietors [3]	School Enrollment [4]	Unemployment Rate [2]
2007	127,446	$ 4,194,885	$ 32,915	930	16,334	4.3
2008	128,040	4,500,196	35,147	940	17,042	4.5
2009	129,276	4,582,209	35,445	960	17,219	5.8
2010	131,090	4,772,869	36,409	960	17,277	6.1
2011	131,549	4,927,973	37,461	960	18,056	6.2
2012	131,820	5,106,005	38,735	960	18,219	5.5
2013	132,546	5,280,667	39,840	N/A	18,361	5.0
2014	132,897	5,437,614	40,916	N/A	18,313	4.6
2015	133,455	5,667,942	42,471	N/A	17,782	4.9
2016*	132,904	5,713,994	42,993	N/A	18,590	5.1

[1] **Source**: Bureau of Economic Analysis, U.S. Dept of Commerce

[2] **Source**: Iowa Workforce Development website (June of FY)

[3] **Source**: USDA National Agricultural Statistics Service

[4] **Source**: School districts in Black Hawk County (certified enrollment 2017-2018)

[5] **Source**: Estimate from U.S. Census Bureau website

[*] Per capita personal income was calculated by taking the 2015 figure and multiplying it by the State of Iowa average increase of 1.23%

[*] Personal Income was calculated by multiplying per capita income by the population to arrive at total personal income.

Black Hawk County, Iowa

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2008			2017		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
John Deere	5,100	1	7.05 %	5,000	1	7.40 %
Wheaton Franciscan Healthcare	3,027	2	4.19	2,883	3	4.26
Tyson Fresh Meats (IBP Inc.)	2,300	3	3.18	2,889	2	4.27
Unity Point Health (Allen Hospital)	1,982	4	2.74	2,520	4	3.73
University of Northern Iowa	1,781	5	2.46	1,816	5	2.69
Waterloo Public Schools	1,452	6	2.01	1,604	7	2.37
Omega Cabinets	1,300	7	1.80	854	8	1.26
Bertch Cabinet Manufacturing Co.	1,260	8	1.74	-	-	-
Hy-Vee	1,155	9	1.60	1,733	6	2.56
VGM Group				843	9	1.25
Target Distribution	-	-	-	840	10	1.24
Area 267 Education Agency	1,150	10	1.59	-	-	-

Sources: Greater Cedar Valley Alliance, Iowa Workforce and Speer Financial, Inc

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Black Hawk County, Iowa

Full-Time Equivalent County Government Employees by Function /Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
Function / Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety and Legal Services:										
Sheriff	132.00	132.00	134.00	134.00	134.00	134.00	134.00	135.00	137.00	137.00
Attorney	28.90	28.80	29.80	29.80	30.80	30.80	30.80	31.10	31.38	31.38
Consolidated Comm Ctr	26.00	26.00	26.00	26.00	26.00	26.00	26.20	26.70	26.70	26.70
Physical Health and Social Services:										
Health Department	90.43	88.22	89.81	86.15	93.00	93.00	90.39	90.44	90.99	89.60
Community Services	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Youth Shelter*	8.80	10.50	11.29	12.84	13.30	10.60	11.50	-	-	-
Veteran Affairs	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03
Mental Health:										
County Social Services	8.20	8.20	8.20	7.20	7.20	8.20	8.20	8.20	8.20	10.20
Country View	190.50	171.00	181.50	184.00	180.50	184.60	185.70	185.60	188.60	191.60
County Environment and Education,										
Conservation	28.84	27.26	26.85	26.29	27.29	26.63	26.44	26.59	26.28	25.68
Roads and Transportation, Engineer	43.40	43.80	43.90	43.90	44.30	44.30	44.30	44.30	44.30	43.40
Governmental Services to Residents:										
Treasurer	12.50	12.50	12.50	10.50	10.50	11.50	11.50	11.50	11.50	11.50
Recorder	11.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Auditor: Elections	3.40	3.40	3.40	3.60	3.50	3.30	3.30	4.00	3.32	3.60
Administration:										
Board Office	7.50	7.50	7.50	7.50	7.50	8.00	8.00	8.00	7.00	7.00
Auditor	11.00	11.00	11.00	11.00	11.00	11.00	11.00	10.00	10.00	10.00
Treasurer	10.60	10.60	10.50	9.00	8.50	7.50	7.50	7.50	7.50	7.50
Human Resources	4.00	4.00	4.00	3.00	3.00	3.10	3.10	2.10	3.00	3.00
Information Technology	7.00	7.00	7.00	6.00	6.00	6.00	6.00	7.00	5.00	4.00
Maintenance	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.50	7.50
Civil Service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	635.90	613.61	630.08	622.61	628.22	630.36	629.76	619.86	623.10	624.49

Note: All figures are from March budget certification for each fiscal year.

Source: Black Hawk County, Auditor's Office

Black Hawk County, Iowa

Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	2008	2009	2010	2011
Public Safety and Legal Services:				
Sheriff:				
# of Civil Papers Served	17,971	20,043	19,507	19,905
# of Arrests Made	3,358	3,384	4,449	4,337
# of Jail Bookings	8,621	9,157	9,558	9,153
# of service calls	11,945	14,463	14,583	14,047
Attorney, # of Felonies/Aggravated				
Fieldcases Filed	2,084	1,691	1,716	1,947
Physical Health and Social Services:				
Health Department:				
# of Success Street Visits [1]	3,486	3,968	4,031	3,427
# of Environmental Inspections [2]	2,572	2,810	2,600	3,202
# of Home Care Aide Visits [3]	18,323	15,801	15,122	13,305
# of Home Care Aide Clients	231	194	188	206
Community Services, # of				
People Seen	2,080	2,077	3,057	3,298
Youth Shelter, # of Kids per Year**	152	143	161	173
Veteran Affairs, # of New Clients per Year	284	305	309	258
Mental Health:				
Country View, Census per Year	52,008	56,285	55,382	56,839
County Environment and Education				
Conservation:				
Hartman Reserve Visitors	55,900	56,200	53,290	51,112
Campers	42,999	41,938	47,333	40,588
Lodge/Shelter Usage	26,865	21,269	27,671	26,137
Roads and Transportation:				
Engineer:				
# of Miles of Road Paved	7	17	24	9
# of Bridges/Culverts Repaired/Replaced	17	8	7	12
Governmental Services to Residents:				
Treasurer, Titles Issued	39,731	41,506	41,447	42,704
Recorder, Documents Recorded	26,345	25,841	24,771	24,554
Auditor: Elections:				
# of Active Voters	77,058	86,891	81,464	81,715
# of Inactive Voters	5,073	5,323	5,934	6,516
# of Absentee Ballots	11,002	23,999	947	15,844
Administration, Maintenance,				
Sq. Ft Maintained	353,980	444,393	444,393	444,393

Source: County records

Note: Indicators are not available for some departments due to their function.

* Information not available.

** Youth Shelter was closed at the end of FY13

[1] Source: SuccessEHS Electronic Health Records; Includes only encounters from the Success Street-West, Success Street-East, and Success Street-Carver locations (vs inclusion of data from Hawkeye Student Health, STI Clinic, etc.).

[2] Source: USA Food Safety database; Includes food-related inspections completed within Black Hawk County and regionally as per contract with Iowa Department of Inspections and Appeals. This includes all types (retail food, special events) and reasons (e.g. routine, follow-up, pre-opening) for inspections.

[3] Source: SuccessEHS Electronic Health Records; Includes only encounters documented with “home care aide program” indicated as the location.

Fiscal Year					
2012	2013	2014	2015	2016	2017
18,162	17,122	16,126	*	11,591	12,730
4,130	4,107	4,176	*	3,471	3,664
9,244	9,040	8,685	*	7,423	7,074
15,328	13,769	13,758	*	8,357	8,189
1,445	1,458	1,268	2,243	2,532	*
		-			
3,302	3,277	3,093	3,114	759	881
2,605	3,326	3,351	2,534	2,233	*
10,692	9,969	8,818	8,549	9,146	6,622
157	149	83	99	93	78
3,319	2,992	3,511	3,102	2,365	2,823
190	**	**	**	**	**
277	440	312	256	455	684
		-			
57,982	57,881	58,847	55,643	54,100	53,303
51,865	50,827	51,539	52,836	52,942	44,332
43,877	37,477	44,607	44,281	47,196	39,760
28,761	25,139	34,000	25,917	25,107	26,199
22	20	5	12	7	8
9	13	10	13	6	5
42,842	40,814	37,311	38,332	38,613	38,269
24,859	27,396	23,340	21,639	22,713	23,266
78,448	81,066	81,700	79,927	84,698	81,529
5,669	5,784	7,094	5,568	5,333	6,018
1,501	31,944	1,464	28,134	10,787	29,653
458,633	458,633	458,633	458,633	458,633	451,740

Black Hawk County, Iowa

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety and Legal Services:										
Sheriff										
# of Patrol Cars	18	19	19	21	21	21	19	19	19	19
Physical Health and Social Services:										
Health Department										
# of Vehicles	17	17	17	17	18	19	18	19	19	19
County Environment and Education:										
Conservation										
# of Acres Managed	8,175	8,325	8,325	8,387	8,613	8,776	8,763	8,797	8,885	8,900
Roads and Transportation:										
Engineer:										
# of Vehicles	74	75	74	76	76	78	75	77	76	77
# of Buildings	15	16	15	15	15	15	15	15	15	15
Administration:										
Maintenance										
# of Buildings Maintained	4	6	6	6	9	9	9	9	9	9

Source: All statistics from various Black Hawk County, Iowa departments

Note: Numerous departments do not have capital specific to their area and have, therefore, been eliminate from this exhibit.

SINGLE AUDIT SECTION

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COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2017

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
U. S. Department of Agriculture				
Passed through the Iowa Department of Public Health:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5885NU02	$ 44,601	$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5885NU02	14,725	-
			59,326	-
Passed through the Iowa Department of Human Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	58,125	-
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			117,451	-
U.S. Department of Housing and Urban Development				
Passed through Iowa Department of Economic Development:				
Community Development Block Grants/States program Jumpstart Residential	14.228	08-DRH-201	261,056	261,056
			261,056	261,056
U.S. Department of Justice				
Passed through the Governor's Office of Drug Control Policy:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	14-JAG-161445	26,378	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0713 (JAG11)	8,541	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0594 (JAG12)	1,674	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0217 (JAG 10)	10,085	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	14-JAG-161445	44,024	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-060 (JAG9)	5,453	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0617 (JAG8)	3,382	-
Total Edward Byrne Memorial Justice Assistance Grant Program			99,537	-
Passed through the Iowa Department of Justice:				
Crime Victim Assistance	16.575	VA-17-26-16	31,003	-
Federal Violence Against Women Formula Grants	16.588	VW-17-24-CJ	32,315	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	N/A	8,577	-
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0603	12,219	-
Methamphetamine Drug Hot Spots Grant Program	16.710	15-CAMP-04	2,600	-
U.S. Department of Transportation				
Passed through the Iowa Department of Public Safety:				
National Priority Safety Programs	20.616	PAP 17-405d-M6OT Task 02-00-00	7,843	-
National Priority Safety Programs	20.616	PAP 16-405d-M6OT Task 02-00-00	1,941	-
Total National Priority Safety Programs			9,784	-
Passed through the Iowa Department of Transportation				
Highway Planning and Construction	20.205	BROS-C007(138)--8J-07	77,350	-
Highway Planning and Construction	20.205	BROS-C007(142)--8J-07	193,553	-
Total Highway Planning and Construction			270,903	-
U.S. Department of Health and Human Services				
Passed through the Iowa Department of Public Health				
Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	5885BT407	20,057	-
Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	5885BT12	278,633	146,140
Total Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements			298,690	146,140
Wise Woman	93.094	5887NB02WW	35,789	-
Maternal and Child Health Federal Consolidated Program	93.110	5886MH03	3,074	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2015-TB01	1,545	-

See accompanying notes to the schedule of federal awards.

COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - (Continued)
Year Ended June 30, 2017

Federal Grantor Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Health and Human Services				
Passed through the Iowa Department of Public Health				
Immunization Grants	93.268	5885I406	$ 53,245	$ -
Immunization Grants	93.268	5885I406	5,839	-
Total Immunization Grants			59,084	-
Centers for Disease Control and Prevention Technical Assistance	93.283	5885NB02	19,823	-
HIV Prevention Activities-Health Department Based	93.940	5885AP03	71,709	-
HIV Prevention Activities-Health Department Based	93.940	5886AP03	29,075	-
Total HIV Prevention Activities-Health Department Based			100,784	-
Maternal and Child Health Federal Consolidated Program	93.994	5885MH03	140,572	-
Maternal and Child Health Federal Consolidated Program	93.994	5886MH03	26,246	-
Total Maternal and Child Health Federal Consolidated Program			166,818	-
Passed through the Iowa Department of Human Services:				
Human Services Administrative Reimbursements				
Medical Assistance Program	93.778	N/A	101,654	-
State Children's Insurance Program	93.767	N/A	461	-
Foster Care - Title IV-E	93.658	N/A	21,622	-
Refugee and Entrant Assistance	93.566	N/A	161	-
Adoption Assistance	93.659	N/A	6,600	-
Child Care Development Fund	93.596	N/A	16,435	-
Social Services Block Grant	93.667	N/A	17,142	-
U. S. Department of Homeland Security				
Passed through Iowa Homeland Security & Emergency Management:				
Disaster Grant-Public Assistance	97.036	013-000CB-00	61,246	-
Disaster Grant-Public Assistance	97.036	013-03B35-00	64,271	-
Total Disaster Grant-Public Assistance			125,517	-
Emergency Management Performance Grants	97.042	EMPG-17-PT-07	35,381	-
Total Expenditures of Federal Awards			$ 1,856,025	$ 407,196

See accompanying notes to the schedule of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Black Hawk County under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Black Hawk County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Black Hawk County.

Note 2 - Significant Accounting Policies

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement, Black Hawk County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Subrecipients

Of the federal expenditures presented in the schedule, Black Hawk County provided federal awards to subrecipients as follows:

	Subrecipient	CFDA #	Pass-Through Amount
Jumpstart (CDBG)	Iowa Northland Regional Council of Governments	14.228	$ 261,056
PHEP and HPP Grants		93.074	
PHEP:	Bremer County Health Department		29,037
	Fayette County Health Department (Palmer Community Health)		26,724
	Grundy County Health Department		22.514
Subtotal PHEP			$ 78,275
HPP:	Unity Point – Allen Hospital		12,880
	Community Memorial Hospital – Sumner Iowa		7,701
	Grundy County Memorial Hospital		9,274
	Waverly Health Center		8,244
	Covenant Medical Center		12,368
	Sartori Memorial Hospital		8,555
	Mercy Hospital of Franciscan Sisters		8,843
Subtotal HHP			$ 67,865

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Supervisors
Black Hawk County, Iowa
Waterloo, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Black Hawk County (the County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 18, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be material weaknesses.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Black Hawk County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Black Hawk County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
December 18, 2017

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Supervisors
Black Hawk County, Iowa
Waterloo, Iowa

Report on Compliance for Each Major Federal Program

We have audited Black Hawk County's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2017. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

A member of Nexia International

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-003 and 2017-004. Our opinion on each major federal program is not modified with respect to this matter.

Black Hawk County's Responses to Findings

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-003 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-004 and 2017-005 to be significant deficiencies.

Report on Internal Control Over Compliance (Continued)

Black Hawk County's Response to Findings

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
December 18, 2017

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COUNTY OF BLACK HAWK, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? X yes _____ no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes _____ no
- Significant deficiency(ies) identified? X yes _____ none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) X yes _____ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.228	Community Development Block Grant
20.205	Highway Planning and Construction
93.074	Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? _____ yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

2017-001: Material Audit Adjustments/Restatement

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with U.S. generally accepted accounting principles (GAAP).

Condition/Context: As part of the audit, we proposed adjustments to properly state accounts payable and expenditures. In addition, a restatement in the amount of $542,207 was necessary to properly account for the internal service activity that related to the business-type activities.

Effect: Material adjustments were proposed throughout the audit and subsequently recorded by management. The lack of sufficient controls over year end reporting increases the likelihood that a material misstatement would not be prevented or detected.

Cause: The County's limited number of personnel and current staff workload do not allow for adequate review and preparation.

Repeat Finding: Yes

Recommendation: In order to strengthen internal controls, we recommend management enhance its internal controls over financial reporting, procedures, and processes to ensure complete and accurate financial reporting. Year-end closing procedures should be expanded to ensure all transactions have been accounted for, appropriate accounting standards have been applied, and transactions are recorded in the proper period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

Contact Person: Susan Deaton, CPA, Finance Director

Corrective Action Planned: A corrective action plan is in place.

Anticipated Completion Date: June 30, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2017-002: Limited Segregation of Duties

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition/Context: Adequate segregation of accounting functions necessary to ensure adequate internal accounting control is not in place at Friends of Hartman Reserve. Responsibility for the accounting function lies primarily with one person.

Effect: The lack of adequate segregation of duties can result in incorrect financial information, failure to detect misstatements or misappropriations, and lack of adherence to the County's procedures.

Cause: Limited number of personnel at the Friends of Hartman Reserve.

Repeat Finding: No

Recommendation: Although the small size of the Hartman Reserve's office staff limits the extent of separation of duties, we believe certain steps could be taken to separate incompatible duties. Cash on hand should be safeguarded with only authorized employee allowed access. Pre-numbered sequential receipts should be issued to donors and reconciled to the accounting records. Monthly transactions and bank reconciliations should be reviewed by a member of the County Auditor's office, this review should be documented and retained. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

Contact Person: Susan Deaton, CPA, Finance Director

Corrective Action Planned: A corrective action plan is in place.

Anticipated Completion Date: June 30, 2018

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2017-003

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Title: Community Development Block Grant
CFDA Number: 14.228
Pass-Through Agency: Iowa Department of Economic Development
Pass-Through Number: 08-DRH-201
Award Period: March 18, 2009-December 31, 2016

Federal Agency: U.S. Department of Health and Human Services
Federal Program Title: Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements
CFDA Number: 93.074
Pass-Through Agency: Iowa Department of Public Health
Pass-Through Number: 5885BT407, 5885BT12
Award Period: July 1, 2016 – June 30, 2017

Type of Finding: Material Weakness in Internal Control over Compliance and Compliance

Criteria: Entities receiving federal awards are required to establish and maintain internal controls designed to ensure compliance with federal laws, regulations, and program compliance. When entities pass grant funds to a subrecipient, the pass-through entity must monitor subrecipient activities to provide reasonable assurance that the subrecipient administers Federal awards in compliance with Federal requirements and achieves performance goals.

Condition/Context: The County does not have during-the-subaward subrecipient monitoring procedures in place. In addition, the County passed Hospital Preparedness and Public Health Emergency Preparedness funds to subrecipients without a subagreement in place specifying the award information and which activities were allowable.

Questioned Costs: None.

Effect: The County is not in compliance with Uniform Grant Guidance – Subrecipient monitoring.

Cause: Unaware of grant requirements.

Recommendation: We recommend the County implement procedures to ensure that when funds are passed to subrecipients the County is monitoring for adherence to federal program requirements. A subrecipient monitoring policy should be adopted to assist county staff in following grant requirements. At the time of the subaward, the County should provide the federal award information to the subrecipient (CFDA Title and Number, award name and number, name of federal awarding agency and applicable compliance requirements).

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

Contact Person: Susan Deaton, CPA, Finance Director

Corrective Action Planned: A corrective action plan is in place.

Anticipated Completion Date: June 30, 2018

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2017-004

Federal Agency: U.S. Department of Health and Human Services
Federal Program Title: Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements
CFDA Number: 93.074
Pass-Through Agency: Iowa Department of Public Health
Pass-Through Number: 5885BT407, 5885BT12
Award Period: July 1, 2016 – June 30, 2017

Type of Finding: Significant Deficiency in Internal Control over Compliance and Compliance

Criteria: Criteria: The grant agreement specifies County shall complete and submit a monthly claim within 30 days of the month of expenditures.

Condition/Context: The County's current controls, processes, and procedures does not allow for proper cash management. For four of five reimbursement requests tested, the reimbursement request was not submitted within the timeframe specified within the grant agreement.

Questioned Costs: None.

Effect: The County is not in compliance with Uniform Grant Guidance – Cash management.

Cause: Limited number of personnel available to assist in grant administration.

Recommendation: We recommend County Management establish internal controls, processes, and procedures over the cash management to ensure reimbursement requests are submitted timely.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

Contact Person: Susan Deaton, CPA, Finance Director

Corrective Action Planned: A corrective action plan is in place.

Anticipated Completion Date: June 30, 2018

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2017-005

Federal Agency: U.S. Department of Health and Human Services
Federal Program Title: Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements
CFDA Number: 93.074
Pass-Through Agency: Iowa Department of Public Health
Pass-Through Number: 5885BT407, 5885BT12
Award Period: July 1, 2016 – June 30, 2017

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The County does not have documentation that indicates the financial and performance reports have been reviewed and approved by someone independent of the preparer prior to submission to the grantor agency.

Context: For 2 of 2 financial reports and 3 of 3 performance reports, there was no indication of management review and approval prior to submission to the state agency.

Questioned Costs: None.

Effect: Errors could go undetected and uncorrected.

Cause: Limited number of personnel available to assist in grant administration.

Recommendation: We recommend County management establish internal controls, processes, and procedures over reporting to ensure reports are reviewed and approved prior to submission.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

Contact Person: Susan Deaton, CPA Finance Director

Corrective Action Planned: A corrective action plan is in place.

Anticipated Completion Date: June 30, 2018

SECTION IV – OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING

IV-A-17 Certified Budget – Disbursements during the year ended June 30, 2017 did not exceed the amended amounts budgeted.

IV-B-17 Questionable Expenditures - We noted no expenditures for parties, banquets, or other entertainment for employees during the year ended June 30, 2017 that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-17 Travel Expenditures - No expenditures of County money for travel expenses of spouses of County officials or employees were noted for the year ended June 30, 2017.

IV-D-17 Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2017.

IV-E-17 Bond Coverage - Surety bond coverage of County officials and employees is in accordance with statutory provisions.

IV-F-17 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-17 Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.

IV-H-17 Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

IV-I-17 County Extension Office - The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an Extension Council separate and distinct from County operations and, consequently, is not included in disbursements during the year ended June 30, 2017 did not exceed the amount budgeted.

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Black Hawk County Board of Supervisors

Linda L. Laylin 833-3076 | Tom Little 833-3075 | Frank Magsamen 833-3077 | Chris Schwartz 833-3074 | Craig White 833-3078

Susan Deaton, *Finance Director* | Dana Laidig, *Administrative Aide*

CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2017

Black Hawk County respectfully submits the following corrective action plan for the year ended June 30, 2017.

Audit period: July 1, 2016 – June 30, 2017

The findings from the June 30, 2017 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2017-001 Material Audit Adjustments/Restatement

Recommendation: In order to strengthen internal controls, we recommend management enhance its internal controls over financial reporting, procedures, and processes to ensure complete and accurate financial reporting. Year-end closing procedures should be expanded to ensure all transactions have been accounted for, appropriate accounting standards have been applied, and transactions are recorded in the proper period.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We will revise our current procedures to strengthen internal controls over our financial reporting processes and procedures to ensure that all transactions are recorded in the proper period and that appropriate accounting standards are applied.

Name of the contact person responsible for corrective action: Susan Deaton, CPA, Finance Director

Planned completion date for corrective action plan: June 30, 2018

COUNTY OF BLACK HAWK, IOWA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2017

FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

MATERIAL WEAKNESS

2017-002 Limited Segregation of Duties

Recommendation: Although the small size of the Hartman Reserve's office staff limits the extent of separation of duties, we believe certain steps could be taken to separate incompatible duties. Cash on hand should be safeguarded with only authorized employee allowed access. Pre-numbered sequential receipts should be issued to donors and reconciled to the accounting records. Monthly transactions and bank reconciliations should be reviewed by a member of the County Auditor's office, this review should be documented and retained. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We will revise our cash receipt procedures at the Hartman Reserve office to enhance segregation of duties. The County Auditor's office will review transactions and bank reconciliations on a monthly basis.

Name of the contact person responsible for corrective action: Susan Deaton, CPA, Finance Director

Planned completion date for corrective action plan: June 30, 2018

COUNTY OF BLACK HAWK, IOWA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2017

FINDINGS – FEDERAL AWARD PROGRAM AUDITS

2017-003

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Title: Community Development Block Grant
CFDA Number: 14.228
Pass-Through Agency: Iowa Department of Economic Development
Pass-Through Number: 08-DRH-201
Award Period: March 18, 2009-December 31, 2016

Federal Agency: U.S. Department of Health and Human Services
Federal Program Title: Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements
CFDA Number: 93.074
Pass-Through Agency: Iowa Department of Public Health
Pass-Through Number: 5885BT407, 5885BT12
Award Period: July 1, 2016 – June 30, 2017

Recommendation: We recommend the County implement procedures to ensure that when funds are passed to subrecipients the County is monitoring for adherence to federal program requirements. A subrecipient monitoring policy should be adopted to assist county staff in following grant requirements. At the time of the subaward, the County should provide the federal award information to the subrecipient (CFDA Title and Number, award name and number, name of federal awarding agency and applicable compliance requirements).

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The County will implement a subrecipient monitoring policy and develop procedures to ensure that we adhere to federal program requirements. We will develop procedures to ensure that we provide federal award information to the subrecipient at the time of the subaward.

Name of the contact person responsible for corrective action: Susan Deaton, CPA, Finance Director

Planned completion date for corrective action plan: June 30, 2018

COUNTY OF BLACK HAWK, IOWA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2017

FINDINGS – FEDERAL AWARD PROGRAM AUDITS (CONTINUED)

2017-004

Federal Agency: U.S. Department of Health and Human Services
Federal Program Title: Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements
CFDA Number: 93.074
Pass-Through Agency: Iowa Department of Public Health
Pass-Through Number: 5885BT407, 5885BT12
Award Period: July 1, 2016 – June 30, 2017

Recommendation: We recommend County Management establish internal controls, processes, and procedures over the cash management to ensure reimbursement requests are submitted timely.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We will revise our current processes and procedures over cash management to enhance internal controls and ensure that reimbursement requests are submitted on a timely basis.

Name of the contact person responsible for corrective action: Susan Deaton, CPA, Finance Director

Planned completion date for corrective action plan: June 30, 2018

COUNTY OF BLACK HAWK, IOWA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2017

FINDINGS – FEDERAL AWARD PROGRAM AUDITS (CONTINUED)

2017-005

Federal Agency: U.S. Department of Health and Human Services
Federal Program Title: Hospital Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements
CFDA Number: 93.074
Pass-Through Agency: Iowa Department of Public Health
Pass-Through Number: 5885BT407, 5885BT12
Award Period: July 1, 2016 – June 30, 2017

Recommendation: We recommend County management establish internal controls, processes, and procedures over reporting to ensure reports are reviewed and approved prior to submission.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We will revise our current reporting procedures and establish internal controls to ensure that reports are reviewed and approved prior to submission.

Name of the contact person responsible for corrective action: Susan Deaton, CPA, Finance Director

Planned completion date for corrective action plan: June 30, 2018

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Black Hawk County Board of Supervisors

Linda L. Laylin 833-3076 | Tom Little 833-3075 | Frank Magsamen 833-3077 | Chris Schwartz 833-3074 | Craig White 833-3078

Susan Deaton, *Finance Director* | Dana Laidig, *Administrative Aide*

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

Black Hawk County respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2017.

Audit period: July 1, 2016 – June 30, 2017

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS - FINANCIAL STATEMENT

Prior Year Reference Number: 2016-001

Condition: Adjustments were proposed and subsequently recorded to properly state capital assets and accrued liabilities.

Status: See current year finding 2017-001.

Reason for Finding's Recurrence: Limited number of personnel and current staff workload do not allow for adequate review.

Corrective Action: The County continues to revise current procedures to ensure proper amounts are recorded in the financial statements. The County no longer outsources the preparation of the financial statements and as a result a second review is occurring as the financials are drafted.

If involved agencies have any questions regarding this plan, please call Susan Deaton, CPA at 319-833-3073.

Sincerely yours,

Black Hawk County, Iowa

Susan Deaton

Susan Deaton, CPA, Finance Director

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